

ACS, Actividades de Construcción y Servicios, S.A.
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Madrid Commercial Registry Sheet M-30221

**Spanish National Securities Market Commission
Edison, 4
MADRID 28006**

Madrid, 27 July 2023

Dear Sirs,

For the purposes envisaged in article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April on market abuse and section 226 of the Consolidated Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October (*Texto Refundido de la Ley del Mercado de Valores*), I disclose the following **Other Relevant Information**:

Today, the Board of Directors of ACS Actividades de Construcción y Servicios S.A., exercising authorization given by the Company's shareholders meeting held on 5 May, approved the accompanying Long-term Incentive Plan 2023-2028 for ACS Group executives.

Yours faithfully,

José Luis del Valle Pérez
Board Member, Secretary General



**LONG-TERM INCENTIVE PLAN 2023-28 FOR ACS
GROUP EXECUTIVES**

27 July 2023

I. INTRODUCTION

In accordance with the 2023-26 Remuneration Policy approved by the shareholders at the Annual General Meeting on 6 May 2023, ACS has established a long-term incentive plan to attract, retain and incentivise the Group's professionals to achieve the strategic objectives set in it.

This type of compensation boosts the achievement of a common objective by executives and the interests of the shareholders. It therefore enables a link to be forged between executives and shareholders, which the latter particularly value, contributing to generating significant value for the company, and providing the executive with an attractive, far-reaching and loyalty-inducing remuneration package.

In view of the above, the ACS Group has decided to continue the remuneration system in which key executives receive pay-outs linked to capital instruments, whether shares of ACS, Actividades de Construcción y Servicios, S.A. (Long-term Incentive Plan 1, "LTIP1") or options for purchasing Company shares (Long-term Incentive Plan 2, "LTIP2"). Both plans were designed to harmonize the align the motivation and loyalty of ACS executives with the objectives set by the Group.

Specifically, the share-based LTIP1 is limited to executives of ACS and Group subsidiaries who do not have any additional long-term incentive plan in their own remuneration schemes (as is the case with Hochtief and its subsidiaries). Meanwhile, LTIP2 share options plan is offered to executives throughout the Group, including the main subsidiaries where the Group has operational control, supplementing individual long-term incentive plans and linked to the ACS Group's operational, financial and sustainability performance.

Executives join the Plan when authorised by the ACS Actividades de Construcción y Servicios S.A. Annual General Meeting held on 5 May 2023. Consequently, following a favourable report from the Remuneration Committee on the same date, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., at a meeting held on 27 July 2023 agreed to establish a long-term incentive plan.

II. GENERAL TERMS AND CONDITIONS

1. Number of awards to be granted to each executive

The number of awards, whether shares or options, granted to the executives who are part of the 2023-28 Plan will be detailed in Schedule 1, and will be prepared by either the President or the CEO.

2. Grant date

The rights, whether shares or options, are effectively granted to the executives who are part of the 2023-28 Plan on 1 July 2023.

3. Exclusion period

Beneficiaries may not exercise their awards for three years from the grant date, i.e. from 1 July 2023 to 30 June 2026.

4. Award exercise period

The period in which the shares can be claimed and options can be exercised if the conditions established in paragraph 5 are met. This period will be up to two years from the end of the exclusion period, i.e. 30 June 2026. Specifically:

- a. For LTIP1, shares are delivered in two instalments: half on the first working day following exercise by the beneficiary, and half on the first working day following their exercise by the beneficiary.
- b. For LTIP2, the options may be exercised in two equal parts, which can be simultaneous if the beneficiary so wishes, during the fourth and fifth years from 1 July 2023.

5. Conditions for exercising awards

In order to receive shares or exercise options granted to each beneficiary, the operational, financial and sustainability performance of the ACS Group in 2023-2025 must be compliant with the Group's objectives. The criteria chosen for meeting these objectives are:

- a. With a weighting of 40%, the Total Shareholder Return (TSR) in the period (2023-2025) must be higher than the median of the main companies in the sector with comparable stock market capitalization and international status to ACS (such companies are detailed in Schedule 1). In this case, the executive receives 100% of the awards assigned in this section. If the TSR in this period is less than the 25th percentile of the comparable sample, the executive receives no awards for this section. If the TSR is between the 25th and 50th percentile of the sample, the executive will receive a proportional number of rewards to result (0% for the 25th percentile and 100% for the 50th percentile).
- b. With a weighting of 40%, the average return on equity (ROE) of the ACS Group in 2023-25, measured as the percentage net profit over equity for the previous year (Net Profit / Equity), must be more than 10%. In the case of a lower result, the executive will be granted no awards.
- c. With a weighting of 20%, the average percentile obtained in the DJSI in 2023-25 must be greater than 85%. In this case, the executive receives 100% of the awards assigned in this section. If the average DJSI percentile in the measurement period is less than the 60th percentile, the executive receives no awards in this section. If the result is between the 60th and 85th percentile, the executive will receive a proportional number of rewards to result (0% for the 60th percentile and 100% for the 85th percentile).

6. Exercise price

- a. In the case of shares (LTIP1), the price is considered the last list price before the delivery date.
- b. For the option plan (LTIP2), it is the price at which executives can purchase shares. This price has been set for the executives to whom ACS initially granted the options at EUR 31.55 per share.

If the shares are diluted or their value is concentrated as a result of a share capital increase (not related to the payment of the flexible dividend), merger, acquisition, etc., in the period between the date of granting of the options and the date from which they can be exercised, the Executive Committee will adjust the option price to the corresponding book value.

The method for exercising options is detailed in Schedule 3.

7. Returns for executives

The returns obtained from the shares or the exercise of the options will be considered employment income for tax purposes. Executives will be responsible for tax withholdings or payments on account, as well as all costs arising from exercising the options.

8. Limitations on multi-year compensation

The total income from exercising the Plan awards must not exceed 100% of the annual remuneration (fixed and variable) of each executive for the number of plan years, which in this case is five.

9. Commitment to retain the shares delivered or acquired

No commitment is imposed on executives to retain the shares delivered and/or acquired as a result of exercising the options.

10. Non-transferability of awards

The rights to shares before their delivery or exercise cannot be subject to *inter vivos* transfer, which does not prevent the shares from being bequeathed to heirs, and the options may be exercised by those heirs within the periods established in the Plan, as set out below.

11. End of awards

Remuneration rights linked to shares and options granted to executives will be end for the following reasons:

- a) Through delivery of the shares or exercise of the options within the set deadlines.
- b) At the end of the exercise period if the member or their heirs has not informed the company of their decision to exercise them.
- c) Due to the termination of the executive's employment with the ACS Group, except in the following cases:
 1. Due to the company that employs the executive leaving the ACS Group.
 2. In the event of death, the awards granted to the executive may be exercised by the executive's appointed beneficiaries (including, where applicable, death in service benefit).
 3. Due to retirement or early retirement chosen by ACS or the executive, or due to permanent disability of the executive.
 4. In cases of unfair dismissal, dismissal on objective reasons and contract termination based on section 50 of the Spanish Workers' Statute (*Estatuto de Trabajadores*)¹, termination of the legal relationship at the request of the Company or by mutual agreement, the executive will not lose the right to receive the shares or exercise the options, unless they expressly waive them based on an agreement reached during mediation with the Spanish Mediation and Arbitration Service (the *SMAC*) between the executive and the Company upon their termination.

In order to exercise the awards, the executive must be an employee of the ACS Group companies at the time of exercise, except in the cases expressly included in sub-paragraph c) in which the executives or their heirs may exercise their rights, if the conditions in paragraph 5 are met.

In cases of termination of employment or departure of the executive's company from the ACS Group, pursuant to sub-paragraph c), the awards allocated will be proportional to the time the manager was employed by the Group during the exclusion period. Specifically, the number of shares and/or options that the executive may exercise in these cases will be calculated by multiplying the number of awards granted, by the percentage resulting from dividing the number of months, rounded up to the nearest whole number,

¹ Article 50 of the Workers' Statute establishes that justified grounds for the employer terminating employment causes are substantial changes in working conditions, non-payment of wages or any other serious breach by the employer.

that the manager remained in one of the ACS Group companies from the beginning of the Plan to the date of their departure, by 36 months.

12. Data protection

The beneficiaries of the plan know and accept that ACS and the financial institutions will have personal data from the beneficiaries (which will be processed automatically or manually for its proper management and administration). ACS and the financial institutions, as participants in the processing of such personal data, guarantee the rights of access, cancellation, rectification, objection to their personal data, which may be exercised with ACS and the financial institutions, respectively.

III. SCHEDULES

Schedule 1. List of executives included in the Plan

LTIP1: Long-term Incentive Plan based on ACS shares for executives of ACS, Actividades de Construcción y Servicios, S.A. and its operations wholly owned subsidiaries

LTIP2: Long-term Incentive Plan based on ACS share options for ACS Group executives

Schedule 2. Comparable companies to assess average TSR

Company	2022 sales (EUR million)	Capitalisation 30/06/23 (EUR million)
VINCI SA	62,265	62,792
FERROVIAL SE	7,551	20,798
JACOBS SOLUTIONS	14,987	13,487
AECOM	13,018	10,676
EIFFAGE	20,867	9,349
SKANSKA AB	15,236	5,284
STRABAG SE	17,026	3,755
SNC-LAVALIN	5,587	4,068
FLUOR CORP	13,818	3,789
LENDLEASE GROUP	6,539	3,094
BALFOUR BEATTY	8,950	2,219
SACYR	5,948	2,105
FCC	7,760	5,192
BOUYGUES SA	48,125	12,073
WEBUILD SPA	7,656	1,717

Schedule 3. How to exercise options

a) *Cash for stock method*

If the executive would like to own the shares, they will pay the exercise price corresponding to the shares acquired, and the financial institution will deduct a rounded-up number of shares from those delivered to the executive, the market value of which will be equal to the income tax payment on account plus the costs of exercising the options. In this exercise method, the Beneficiary may choose to cover all their tax obligations and the applicable brokerage and related fees by making a cash contribution on the corresponding settlement date, thus avoiding the sale of shares.

b) *Cash less method*

Alternatively, the executive may ask the financial institution to provide ACS shares whose market value is the same as the difference between the exercise price of the options and the market value of the shares at the exercise date, less the income tax payment on account plus the costs of exercising the options.

In this exercise method, in order to satisfactorily cover the tax obligations and costs of exercising the options, the financial institution will calculate the number of shares to be sold in the market and the number of shares to be delivered to the beneficiary based on the price at end of business on the day immediately before the exercise date, less 1%. The difference between the market price on the transaction date and the price at end of business the previous day, less 1%, whether positive or negative, will be paid or charged by the financial institution into or from the beneficiary's account, respectively.

c) *Cash settlement*

If the executive does not wish to own the acquired shares, they must exercise their options at the exercise price and simultaneously ask the financial institution to sell the same number of shares in the market. This will enable the executive to receive a cash amount that is the same as the difference between the exercise price of the options and the market value of the shares at the exercise date, less the income tax payment on account plus the costs of exercising the options.

Implementing the Plan through a financial institution

Given the various commercial and accounting implications, and the administrative cost to ACS Group of managing the Options Plan, the ACS Group has chosen to implement its Options Plan through a range of financial institutions, which will assume the obligation to keep the shares intended for the Share Options Plan available at the price agreed upon when granted.

The financial institutions selected to implement the Plan as financial intermediaries and members of the Spanish stock market are: CaixaBank (La Caixa) as Manager of the Plan and the Depositary Entities, and any other leading financial institution that may hold that role (the Financial Institutions).

Notification and procedure for exercising the options

In order to exercise their options, beneficiaries will give notice of their wish to acquire the number of shares to which they are entitled.

In order to exercise the options, the Financial Institutions must receive the corresponding Notice, along with the form attached as Schedule 1, which will contain:

1. A notice duly signed by the Beneficiary and signed off by ACS indicating:
 - a) the full name of the Beneficiary;
 - b) the Beneficiary's tax identification or passport number;

- c) the Beneficiary's securities account number;
 - d) the Beneficiary's chosen form of exercising their option;
 - e) the number of shares over which the option is exercised;
 - f) express authorisation to LA CAIXA to charge the corresponding amounts from the indicated cash account and so that, should there be insufficient funds in that account, LA CAIXA may sell the number of Shares required to collect the corresponding amounts, both in payment of the share price and to cover costs, brokerage fees and, where applicable, tax obligations, for which the above Shares will be frozen until the above amounts are collected;
 - g) a declaration stating that the Beneficiary in question knows and agrees to the procedures for exercising the options established in this agreement, the implications arising from them and the inherent costs; and
2. a declaration from ACS indicating to LA CAIXA the percentage withholding that must be applied to the corresponding Beneficiary for exercising the options. If the financial institutions receive a Notice that (i) does not follow the form attached to this agreement, (ii) is incomplete or (iii) is not duly signed off by ACS, the financial institutions may not act on such a Notice. In such case, they will ask ACS and/or the Beneficiary to submit a compliant Notice that follows the form attached to this agreement, complete the information and/or sign off the corresponding Notice. A Notice will be considered received by the Financial Institutions for the purposes of this agreement when (i) the Notice is compliant with the accompanying form in Schedule 1, (ii) the information in the Notice has been duly completed and (iii) the Notice is signed off by ACS.

Notices corresponding to a certain Exercise Date, duly signed off by ACS, must be received by the Financial Institutions from ACS by fax or by email before 18:00 h (Madrid time) on the Business Day before the Exercise Date, and receipt must be acknowledged. If a Notice is received after 18:00 h (Madrid time) on the Business Day before the Exercise Date, it will be considered received on the next Business Day.

Regardless of the method of exercising the options chosen by each

Beneficiary, the sale of shares will follow these rules:

- a) for all share sales in a single trading day, the weighted average sale price by the financial institutions on that same day will be taken as the unit selling price. Therefore, the unit price at which shares are sold in a trading day a result of exercising the options will be the same for all Beneficiaries.
- b) the financial institutions will complete the transactions in the stock market across as many business days as necessary to complete them, taking into account that the maximum daily sales volume by the Financial Institutions must not be higher than the daily average traded in the Spanish Stock Market Interconnection System (the *SIBE*) within normal trading hours in the thirty (30) trading days leading up to that date (not including the daily average of takeover or buyout transactions during the period) or whatever other limit is imposed or recommended by the market regulator or rules; and
- c) if, as a result of sub-paragraph (b) above or any other *force majeure* event, it is not possible to sell all of the Shares required in relation to any Beneficiary, LA CAIXA will only apply a number of Shares in the corresponding Beneficiary's securities account to respect the proportion between Shares transferred to the Beneficiary and Shares sold in the Market. The remaining Shares will be sold the next trading day. In this case, the order to apply and sell the remaining Shares and any others that could not be completed in on the day requested by the Beneficiary will be transferred to the next trading day, and will keep the original order of priority.

Orders will be executed in the manner and with the requirements established in Spanish law in force at any time.

The costs of exercising the options will be paid in full by the Beneficiaries, a condition that ACS must inform the Beneficiaries and they must explicitly agree to in each Notice to exercise their options, to be sent to LA CAIXA. The terms and conditions offered by LA CAIXA to the Beneficiaries for the 2023 Options Plan are attached.