



Annual Report on the remuneration of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. for the year 2012

Introduction

Pursuant to the provisions in article 61ter of the Spanish Securities Market Law, added by final provision 5.3 of Law 2/2011, of 4 March, and according to what is set out in article 4 of the Rules of Procedure of the Board of Directors, this body annually prepares a report on the director remuneration policy which it will submit, for consultation purposes and as a separate item on the Agenda, to the Annual General Meeting of Shareholders of the Company.

For this purpose, and according to article 16 of the same Rules of Procedure, the Board of Directors, after receiving a report from the Appointment and Remuneration Committee, will determine the final distribution of the relevant overall sum and the frequency of payments.

Remuneration policy of ACS, Actividades de Construcción y Servicios, S.A.

According to article 34 of the Company Bylaws, The Board of Directors shall be jointly entitled to a remuneration, in addition to the fees and allowances agreed by the General Meeting, for statutory participation, not in excess of ten percent of net profit, which may only be subtracted from such profit having covered considerations for the legal reserve and, where applicable, by the bylaws, and having disbursed to shareholders a dividend of at least four percent of the paid in capital for each share.

It is expressly authorised that compensation for any or all of the members of the Board of Directors, and the management personnel both of the Company and of the companies belonging to the same Group, may consist of the issue of shares in the Company or of stock options in such Company or of stock which may be tied to the value of such shares, in accordance with the terms and conditions as laid down by the General Meeting of Shareholders by means of appropriate agreement and pursuant to the legally established requirements.

The Board of Directors shall decide upon the manner of distributing amongst its members, including in cases of an adjusted, the remuneration that jointly corresponds to them under the provisions of this Article.

Consequently, the Board of Directors will ensure that the remuneration of the directors is fair and competitive, in keeping with what is paid in the market at companies of a similar size and corporate object, based on criteria of responsibility and dedication inherent to the office they hold and not grounded on per diem remuneration for attending meetings. For such purpose the Board, intending to achieve maximum objectivity, has established an annual amount of remuneration of the Directors according to the positions they hold on the Board and to their membership in the different Board Committees and their functions within same, which every year is submitted for approval to the Annual General Meeting of Shareholders of the Company. Thus, at its meeting of 26 March 2009, the Board of Directors approved the following remuneration table, as annual statutory considerations, which are currently in force:

| Office | Figure stated in euros |
|--|-----------------------------------|
| Chairman | 275,000 |
| Deputy Chairman of the Board or of the Executive Committee | 250,000 |
| Members | 80,000 |
| Member of the Executive Committee | 45,000 |
| Chairman of the Committee | 45,000 |
| Committee Member | 17,000 |

Regarding the Executive Directors and other executives, of both the Company and the major companies composing the ACS Group, the remuneration is considered an item to attract and retain the best professionals and make them feel part of ACS Group.

Thus, the first item to take into account is the comparison with other large Spanish business groups. The second item to be considered is the distribution between fixed and variable remuneration, both annual and pluri-annual.

The fixed remuneration and the variable annual remuneration are established by basically taking into account the above-mentioned comparative criterion and the maximum amount of the variable remuneration is usually established as a percentage of the fixed remuneration.

The pluri-annual variable remuneration is mainly structured via the system of share options which are distributed among the senior executives of the Company and the Group. This system grants beneficiaries the right to acquire shares of the Company at the quoted market price on the day when the Plan was established and, accordingly, beneficiaries only gain positive results if the share price has risen on the exercise date, which is always more than three years after the establishment of the Plan.

Remuneration of the Company Directors in the year 2012

In the Company that is the subject of this report

The remuneration of Directors in the year 2012 for being members of ACS, Actividades de Construcción y Servicios, S.A. amounted to EUR 9,538 thousand euros, distributed among the following items:

| Name | Office | Salary | Statutory benefits | Short-term variable remuneration | Remuneration as members of Board Commissions | Total in 2012 | Total in 2011 |
|--|--------------------------------|--------|--------------------|----------------------------------|--|---------------|---------------|
| Mr Florentino Pérez Rodríguez | Chairman and CEO | 1,573 | 275 | 2,586 | | 4,434 | 4,330 |
| Mr Antonio García Ferrer | Executive Vice-president | 686 | 250 | 755 | | 1,691 | 1,657 |
| Mr Pablo Vallbona Vadell | Vice-president | | 250 | | | 250 | 250 |
| Mr José Luis del Valle Pérez | Director and Secretary General | 1,155 | | 544 | | 1,699 | 1,495 |
| Mr José María Loizaga Viguri | Member | | 80 | | 170 | 250 | 250 |
| Mr Agustín Batuecas Torrego | Member | | 80 | | | 80 | 80 |
| Mr Álvaro Cuervo García | Member | | 80 | | 17 | 97 | 97 |
| Mr Manuel Delgado Solís | Member | | 80 | | 17 | 97 | 97 |
| Ms Sabina Fluxá Thienemann | Member | | 80 | | | 80 | 80 |
| Mr Joan-David Grimà i Terré | Member | | 80 | | | 80 | 80 |
| Mr Pedro José López Jiménez | Member | | 80 | | 45 | 125 | 125 |
| Mr Santos Martínez-Conde Gutiérrez-Barquín | Member | | 80 | | 17 | 97 | 97 |
| Mr Javier Monzón de Cáceres | Member | | 80 | | | 80 | 80 |
| Mr Miquel Roca i Junyent | Member | | 80 | | 17 | 97 | 97 |
| Mr Julio Sacristán Fidalgo | Member | | 80 | | 34 | 114 | 98 |
| Mr Juan March de la Lastra | Member | | 80 | | 45 | 125 | 125 |
| Mr Javier Echenique Landiribar | Member | | 80 | | 62 | 142 | 142 |
| Mr José María Aguirre González | Member(1) | | | | | - | 113 |
| Mr Francisco Servando Verdú Pons | Member (2) | | | | | - | 53 |
| Total | | 3,414 | 1,815 | 3,885 | 424 | 9,538 | 9,346 |

(1) Deceased 27/11/2011

(2) Removed 30/08/2011

The remuneration paid during 2012 amounts to EUR 9,538 thousand euros, 2.05% higher than the previous year.

The amount recognised as a result of the share options attributed to directors with executive functions, according to the share options they have been granted, amounts to EUR 1,808 thousand euros. Said amount corresponds to the proportional part of the value of the plan at the time when it was granted, which remains in the current financial year. The conditions corresponding of to the share option plan of which are detailed in this report.

| Name | Office | Name of Plan | Date implemented | Options in 2012 | | | |
|-------------------------------|--------------------------------|--------------|------------------|-----------------|---------------|--------------------|-----------------------|
| | | | | No. of options | No. of shares | Strike price (EUR) | Amount (thousand EUR) |
| Mr Florentino Pérez Rodríguez | Chairman and CEO | Plan 2010 | 27/05/2010 | 936,430 | 936,430 | 34,155 | 1,315 |
| Mr José Luis del Valle Pérez | Director and Secretary General | Plan 2010 | 27/05/2010 | 351,160 | 351,160 | 34,155 | 493 |
| Total | | | | | | | 1,808 |

The amount shows the sum booked on the Company's income statement as a consequence of the share options granted to the directors with executive functions. Said amount corresponds to the proportional part of the value of the plan at the time when it was granted.

Regarding the term for exercising the options, the share options can be exercised in two equal halves, which may be accumulated if the beneficiary so chooses, during the fourth and fifth years following 1 May 2010.

In addition, the Company had obligations to certain directors related to pension plans and life insurance premiums, having contributed EUR 1,811 thousand and EUR 16 thousand, respectively, in 2012 according to the following detail:

Obligations in respect of pension plans:

| Name | Office | Company contributions during the year (thousand EUR) | |
|-------------------------------|--------------------------------|---|--------------|
| | | 2012 | 2011 |
| Mr Florentino Pérez Rodríguez | Chairman and CEO | 1,321 | 1,538 |
| Mr Antonio García Ferrer | Executive Vice-president | -220 | -291 |
| Mr José Luis del Valle Pérez | Director and Secretary General | 710 | 708 |
| | TOTAL | 1,811 | 1,955 |

Obligations in respect of life insurance premiums:

| Name | Office | Life insurance premiums (thousand EUR) | |
|-------------------------------|--------------------------------|---|-----------|
| | | 2012 | 2011 |
| Mr Florentino Pérez Rodríguez | Chairman and CEO | 14 | 13 |
| Mr Antonio García Ferrer | Executive Vice-president | 1 | 2 |
| Mr José Luis del Valle Pérez | Director and Secretary General | 1 | 1 |
| | TOTAL | 16 | 16 |

Remuneration for membership in other Boards of Directors and/or senior executive positions in the Group

The members of the Board of Directors of ACS received, for their membership in other Boards of Directors and/or for holding senior executive positions in Group companies, a total of EUR 944 thousand, distributed among the following items:

| Name | Office | Salary | Statutory Benefits | Other Items | Total in 2012 | Total in 2011 |
|----------------------------------|--------------------------------|--------|--------------------|-------------|---------------|---------------|
| Mr Florentino Pérez Rodríguez | Chairman and CEO | | 40 | | 40 | 121 |
| Mr Antonio García Ferrer | Executive Vice-president | | | | - | - |
| Mr Pablo Vallbona Vadell | Vice-president | | 61 | | 61 | 173 |
| Mr José Luis del Valle Pérez | Director and Secretary General | | | | - | 111 |
| Mr José María Loizaga Viguri | Member | | | | - | - |
| Mr Agustín Batuecas Torrego | Member | 448 | | 1 | 449 | 449 |
| Mr Álvaro Cuervo García | Member | | | | - | - |
| Mr Manuel Delgado Solís | Member | | 42 | | 42 | 42 |
| Ms Sabina Fluxá Thienemann | Member | | | | - | - |
| Mr Joan-David Grimà i Terré | Member | | | | - | - |
| Mr Pedro José López Jiménez | Member | | 184 | | 184 | 193 |
| Mr Santos Martínez-Conde | Member | | | | - | - |
| Mr Javier Monzón de Cáceres | Member | | 42 | | 42 | 42 |
| Mr Miquel Roca i Junyent | Member | | | | - | - |
| Mr Julio Sacristán Fidalgo | Member | | 84 | | 84 | 115 |
| Mr Juan March de la Lastra | Member | | | | - | - |
| Mr Javier Echenique Landiribar | Member | | 42 | | 42 | 42 |
| Mr José María Aguirre González | Member (1) | | | | - | 50 |
| Mr Francisco Servando Verdú Pons | Member (2) | | | | - | - |
| | Total | 448 | 495 | 1 | 944 | 1,338 |

(1) Deceased 27/11/2011

(2) Removed 30/08/2011

Total remuneration of the Directors of the Company

The total remuneration of the Directors of ACS, Actividades de Construcción y Servicios, S.A., according to the amount paid in the year 2012 amounted to EUR 10,482 thousand, distributed across the following items:

| Name | Office | Cash remuneration from the Company in 2012 | Cash remuneration from Group companies in 2012 | Total cash remuneration in 2012 | Total year 2011 | Contributions or provisions to savings systems in 2012 |
|--|--------------------------------|--|--|---------------------------------|-----------------|--|
| Mr Florentino Pérez Rodríguez | Chairman and CEO | 4,434 | 40 | 4,474 | 4,451 | 1,321 |
| Mr Antonio García Ferrer | Executive Vice-president | 1,691 | - | 1,691 | 1,657 | -220 |
| Mr Pablo Vallbona Vadell | Vice-president | 250 | 61 | 311 | 423 | |
| Mr José Luis del Valle Pérez | Director and Secretary General | 1,699 | - | 1,699 | 1,606 | 710 |
| Mr José María Loizaga Viguri | Member | 250 | - | 250 | 250 | |
| Mr Agustín Batuecas Torrego | Member | 80 | 449 | 529 | 529 | |
| Mr Álvaro Cuervo García | Member | 97 | - | 97 | 97 | |
| Mr Manuel Delgado Solís | Member | 97 | 42 | 139 | 139 | |
| Ms Sabina Fluxá Thienemann | Member | 80 | - | 80 | 80 | |
| Mr Joan-David Grimà i Terré | Member | 80 | - | 80 | 80 | |
| Mr Pedro José López Jiménez | Member | 125 | 184 | 309 | 318 | |
| Mr Santos Martínez-Conde Gutiérrez-Barquín | Member | 97 | - | 97 | 97 | |
| Mr Javier Monzón de Cáceres | Member | 80 | 42 | 122 | 122 | |
| Mr Miquel Roca i Junyent | Member | 97 | - | 97 | 97 | |
| Mr Julio Sacristán Fidalgo | Member | 114 | 84 | 198 | 213 | |
| Mr Juan March de la Lastra | Member | 125 | - | 125 | 125 | |
| Mr Javier Echenique Landiribar | Member | 142 | 42 | 184 | 184 | |
| Mr José María Aguirre González | Member (1) | - | - | - | 163 | |
| Mr Francisco Servando Verdú Pons | Member (2) | - | - | - | 53 | |
| | TOTAL | 9,538 | 944 | 10,482 | 10,684 | 1,811 |

(1) Deceased 27/11/2011

2) Removed 30/08/2011

The total cash remuneration for the directors of ACS, Actividades de Construcción y Servicios, S.A. declined by 1.89% compared to the previous year.

At the end of the years 2012 and 2011 there were no loans or advance payments granted to members of the Board of Directors of the Company. There were no severance payments due to removals of members of the Board of Directors.

Share option plans in force

Options Plan 2010

The Executive Committee that met on 27 May 2010, executing the resolution passed by the General Meeting of Shareholders on 25 May 2009 and following a proposal of the Appointment and Remuneration Committee, resolved to establish a share option plan involving 6,203,454 shares with a strike price of EUR 34.155 per share.

The share options can be exercised in two equal parts, which may be accumulated if the beneficiary so chooses, during the fourth and fifth years following 1 May 2010. Notwithstanding the foregoing, in the event of the extinction of the labour relationship for reasons other than a dismissal declared to be a summary dismissal or the simple will of the beneficiary, the options may be exercised six months after the relevant event in cases of death, retirement, pre-retirement or permanent disability and 30 days after the event in any other cases. Tax withholding and any taxes to be paid as a consequence of the exercise of the options will be exclusively borne by the beneficiary.

ACS Actividades de Construcción y Servicios, S.A. has outsourced these commitments to a financial institution.

This plan and the individual contributions, which included two Executive Directors, were reported to the Spanish National Securities Market Commission on 27 May 2010.

Other items related to remuneration

In relation to the 6 senior executives of the different companies in the ACS Group, including 3 Executive Directors of the company, their contracts expressly include the right to receive severance payment when they resign or are dismissed in a non-summary manner or if the labour relationship ends because of a change of control of the Company, the maximum severance amounting to 5 years of their remuneration.

Remuneration policy in 2013

For the year 2013, no significant changes are scheduled in the remuneration policy for the Executive Directors or in the sums to be received by the directors for membership on the Board of Directors and the Commissions.

This annual report on remunerations was approved by the Board of Directors of the Company at its meeting held in Madrid on 21 March 2013.