

**PROPOSALS OF THE BOARD OF DIRECTORS OF 17 MARCH 2016 TO THE SHAREHOLDERS 'MEETING TO BE HELD ON SECOND CALL ON 5 MAY 2016.**

a) To approve the Financial Statements and the Directors' Report, for the year 2015, of both the company and the Group of which it is the parent company.

b) To approve the following proposal for the distribution of profits, which amount to 152,494,106.34 euros: to voluntary reserves, 152,494,106.34 euros. In accordance with the Company By-laws, the total remuneration of the Company's Board of Directors for 2015 was 2,624,261.10 euros. To transfer to Voluntary Reserves the amount of the goodwill reserve which as of December 31th, 2015 accounted for 288,454,570.46 euros.

c) To approve, for merely consultative purposes, the Report on Remuneration of the Board of Directors for the 2015 financial year.

d) To approve the performance of the Board of Directors during the year 2015

e) To ratify the appointment of the following individuals as Directors of the company and, if necessary, to appoint the following individuals as Directors for the statutory four year period beginning on the date of this Meeting to Mr. Javier Fernández Alonso, of Spanish nationality, of legal age, a economist by profession, with address for the purposes hereof at calle Castelló 77, Madrid, and bearing National Identification Document (D.N.I.) 78890567 S, as proprietary director of Corporación Financiera Alba (March Group) by co-option, made by the Board of Directors of the Company in its session of 17 March 2016, with a previous report of the Appointments and Remuneration Committee of the company and as proprietary director of Corporación Financiera Alba (March Group).

f) To appoint the following individuals as Directors for the statutory four year period beginning on the date of this Meeting:

- Mr. Manuel Delgado Solís, of Spanish nationality, of legal age, married, a lawyer by profession, resident in Madrid, with address for the purposes hereof at Plaza de las Salesas 3, Madrid and bearing National Identification Document (D.N.I.) 50270209-Y, with a previous favourable report of the Appointments and Remuneration Committee of the company and as proprietary director of the shareholders Mr. Alcocer and Mr. Cortina.

- Mr. Javier Echenique Landiribar, of Spanish nationality, of legal age, married, a economist by profession, resident in Madrid, with address for the purposes hereof at calle Serrano 67, Madrid and bearing National Identification Document (D.N.I.) 15768843-C, with a previous favourable report of the Appointments and Remuneration Committee of the company and as proprietary director of the shareholders Mr. Alcocer and Mr. Cortina.

- Mr. Mariano Hernández Herreros, of Spanish nationality, of legal age, married, a medico by profession, resident in Madrid, with address for the purposes hereof at calle Agastia 39, Madrid and bearing National Identification Document (D.N.I.) 13859014-L, with a

previous favourable report of the Appointments and Remuneration Committee of the company and as proprietary director of the shareholder Mr. Florentino Pérez Rodríguez.

g) Following a proposal of the Audit Committee, to extend the appointment of Deloitte, S.L., with Corporate Tax ID No. B-79104469 and with Official Auditors Register (ROAC) No. SO692, as auditors of both the company and the Group of Companies of which ACS, Actividades de Construcción y Servicios, S.A. is the Parent Company, for a one-year period starting 1 January 2017, To this end the Board of Directors of the company, its Chairman, any of its Vice-Chairmen and the Secretary-Director are authorised indiscriminately so that they may enter into the relevant service lease agreement with the above-mentioned auditors, for the term stated above and under the conditions which they deem appropriate within normal market conditions.

h) Capital increase and capital reduction.

#### 1. Capital increase resolution

It is resolved to increase the share capital by an amount which is the result of multiplying (a) the nominal value of half (0.50) a euro per share of ACS, Actividades de Construcción y Servicios, S.A. (“**ACS**” or the “**Company**”) by (b) the number of new shares of ACS resulting from the application of the formula provided under 2 below (the “**New Shares**”), but the total sum of the fair value of the New Shares cannot exceed a ceiling of 366 million euros.

The capital increase is effected by means of the issuance and circulation of the New Shares, which shall be ordinary shares with a nominal value of half (0.50) euros each, of the same class and series as those currently outstanding, represented by means of book entries.

The capital increase will be fully charged to the voluntary reserves, which as of 31 December 2015 amounted to 837,519,737.58 euros.

The New Shares are issued at par value, that is, at their nominal value of half (0.50) a euro, with no share Premium, and they will be allocated free of charge to the company shareholders.

The capital increase may be executed, by the Board of Directors (with express powers of substitution), pursuant to the provisions in the next sections below, on one or two different dates, at its exclusive discretion and therefore without having to resort again to the General Shareholders’ Meeting. The dates on which the capital increase is likely to be executed are, in the case of the first execution, within the three months following the date of this General Shareholders’ Meeting and, in the event there is a second execution, no later than in the first quarter of 2017, thereby coinciding with the dates on which ACS traditionally pays out the supplementary dividend and the interim dividend. Each full or partial execution of the capital increase will be referred to as an “**Execution**” and, together, as the “**Executions.**”

Pursuant to the provisions in article 311 the Consolidated Text of the Spanish Limited Liability Companies Law, the possibility of an incomplete allocation of the capital increase is foreseen in each of the Executions.

## 2. New Shares to be issued in each Execution

The number of New Shares to be issued in each Execution will be the result of applying the formula below, rounded to the whole number immediately below:

$$\text{NAN} = \text{NTAcc} / \text{No. of rights}$$

where,

NAN = Number of New Shares to be issued on the relevant Execution date;

NTAcc = Number of shares of ACS outstanding on the date on which it is resolved to carry out each Execution; and

No. of rights = Number of free allocation rights needed for the allocation of one New Share in the relevant Execution, which will be the result of applying the formula below, rounded to the whole number immediately above:

$$\text{No. of rights} = \text{NTAcc} / \text{Provisional no. of shares}$$

where,

Provisional no. of shares = Amount of the Executed Option /

PreCot. For this purpose:

“**Amount of the Executed Option**” is the maximum fair market value corresponding to the part of the capital increase that the Board of Directors (with express powers of substitution) executes on a given Execution date. The Amount of the Executed Option in the first Execution, which is scheduled to take place within the three months following this General Shareholders’ Meeting for the year 2015, will at the most be 224 million euros. The Amount of the Executed Option in the event there is a second (and last Execution), which would foreseeably take place no later than in the first quarter of 2017, cannot exceed 142 million euros. In this way, the sum of each of the Amounts of the Executed Option cannot exceed the amount of 366 million euros.

“PreCot” is the arithmetic mean of the weighted average prices of the company share on the Spanish Stock Exchanges in the 5 trading sessions prior to each of the capital increase Execution dates, rounded to the nearest thousandth euro and, in the event there is half a thousandth, it will be rounded to the immediately higher thousandth of euro.

## 3. Free allocation rights

In each Execution, each company share outstanding will grant one free allocation right. The number of free allocation rights needed to receive one New Share will be determined automatically according to the existing proportion between the number of New Shares and the number de shares outstanding (NTAcc). Specifically, shareholders will be entitled to receive one New Share for every x free allocation rights they hold, as determined according to the provisions under 2 above (No. of rights).

In the event that, at a specific Execution, the number of free allocation rights needed for the allocation of a share (No. of rights) multiplied by the New Shares (NAN) turns out to be lower than the number of shares outstanding (NTAcc), ACS (or a group company which, as the case may be, is a holder of shares of ACS), will give up a number of free allocation rights equal to the difference between the two figures, exclusively for the purpose of making the number of New Shares a whole number rather than a fraction.

The free allocation rights will be allocated in each Execution to the ACS shareholders appearing as entitled as such in the book records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) at 23:59 on the date of publication of the announcement of each Execution of the capital increase in the Official Gazette of the Mercantile Registry. During the negotiation period of the free allocation rights, sufficient allocation rights may be acquired on the market in the proportion necessary to subscribe New Shares. The free allocation rights may be negotiated on the market during the term determined by the Board of Directors (with express powers of substitution), the minimum term being fifteen calendar days following the publication of the announcement of the Execution of the relevant capital increase.

#### 4. Irrevocable commitment to acquire the free allocation rights

At each Execution the company or, with the company's backing, the Group company that is determined will assume an irrevocable commitment to purchase the free allocation rights at the price stated below (the "**Purchase Commitment**"). The Purchase Commitment will be in force and it may be accepted during the term, within the period of negotiation of the rights, determined by the Board of Directors (with express powers of substitution) for each Execution. For such purpose, it is resolved to authorise company, or the relevant Group company, to acquire said free allocation rights (together with the shares corresponding to same), the ceiling being the total rights that are issued, and in any event the legal limitations must be complied with.

The acquisition by ACS of the free allocation rights as a consequence of the Purchase Commitment in each Execution, will be charged to the freely disposable reserve account called voluntary reserves.

The "**Purchase Price**" of each free allocation right will be the one resulting, at each Execution, from the formula below, rounded to the nearest thousandth euro and, in the event there is half a thousandth, it will be rounded to the immediately higher thousandth of euro:

$$\text{Purchase Price} = \text{PreCot} / (\text{No. of rights})$$

#### 5. Balance sheet for the transaction and reserve to which the capital increase is charged

The balance sheet serving as the basis for the transaction is the one dated 31 December 2015, duly audited and approved by this Annual General Shareholders' Meeting.

As stated above, the capital increase will be fully charged to the voluntary reserves, which as of 31 December 2015 amounted to 873,519,737.58 euros.

## 6. Representation of the New Shares

The shares that are issued will be represented by means of book entries, the registration of which is attributed to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and the members thereof.

## 7. Rights of the New Shares

The New Shares will give their holders the same voting and dividend rights as the ordinary ACS shares that are currently outstanding as from the dates on which the capital increase is declared as having been subscribed and called up.

## 8. Request for listing

It is resolved to request in each Execution the listing of the New Shares in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, via the Stock Exchange Interconnection System (Continuous or Electronic Market), as well as to carry out the necessary proceedings and actions and submit the required documents to the relevant bodies for the listing of the New Shares issued in each Execution as a consequence of the Capital increase that was resolved, and it is expressly placed on record that ACS submits to the existing rules or those that may be passed in respect of the Stock Exchange and, especially, in respect of contracting, remaining on and exclusion from the official quotations.

## 9. Execution of the capital increase

Within a term of one year from the date of this resolution, the Board of Directors (with express powers of substitution) may state the date(s) on which this capital increase is to be executed (each of those dates will be an execution of the capital increase, taking into account that it can only be executed two times at the very most) and set the conditions of same in everything not provided in the resolution herein. Subject to the foregoing, if the Board of Directors (with express powers of substitution) does not consider it convenient to fully or partially execute the capital increase, it may not execute all or a part of same pursuant to the provisions in article 7 of the Company Bylaws.

Once the negotiation period of the free allocation rights is concluded:

The New Shares will be allocated will be allocated to those who, according to the book records of Iberclear and the members thereof, are holders of free allocation rights in the proportion established in section 3 above.

The Board of Directors (with express powers of substitution) will declare the negotiation period of the free allocation rights closed and it will formalise in the accounts the application of the voluntary reserves in the amount of the capital increase, which will be called up by means of that application.

Likewise, once the negotiation period of the free allocation rights ends, the Board of Directors (with express powers of substitution) will adopt the relevant Company Bylaw amendment resolutions to reflect the new share capital figure and the number

of New Shares resulting from each Execution and to request the listing of the New Shares on the Spanish Stock Exchanges.

#### 10. Delegation for the execution

It is resolved to delegate to the Board of Directors, in conformity with the provisions in article 297.1. a) the consolidated text of the Spanish Limited Liability Companies Law, the authority to state the date(s) on which this capital increase is to be executed (each of those dates will be times at the very most) and set the conditions of same in everything not provided in the resolution herein. In particular, by way of illustration only, the following powers are delegated to the Board of Directors, with express powers of substitution:

Setting the Execution dates on which the resolution thus passed of increasing the share capital is to be carried out (on one or two dates), in any event within the term of one year following the approval thereof.

Setting the exact amount of the capital increase, the number of New Shares, the Amount of the Executed Option and the free allocation rights needed for the allocation of New Shares at each Execution, applying for the purpose the rules established by the Meeting and with the possibility, as the case may be, of waiving in each Execution (one or several times) free allocation rights for the subscription of New Shares exclusively for the purpose of making the number of New Shares a whole number rather than a fraction.

Designating, on each Execution date, the company or companies that are going to assume the functions of agent and/or financial advisor in relation to each Execution, and to undersign any agreements and documents that are necessary for the purpose.

Setting the term of the negotiation period of the free allocation rights for each of the Executions.

At each Execution, declaring the part of the capital increase that it was resolved to execute closed and executed.

Providing, following each Execution, a new wording for article 6 of the Company Bylaws of ACS, in relation to the share capital, to adapt it to the result of the execution of the capital increase.

Waiving, at each Execution, the New Shares corresponding to the free allocation rights held by the company at the end of the negotiation period of said rights.

Carrying out, at each Execution all the proceedings required for the New Shares the object of the capital increase to be recorded with the book records of Iberclear and listed on the Spanish Stock Exchanges.

Carrying out any necessary or convenient actions to execute and formalise the capital increase before any public or private, Spanish or foreign companies and bodies, including declaring, supplementing or correcting defects or omissions which might prevent or hinder the full effect of the above resolutions.

The Board of Directors is expressly authorised so that it may in turn delegate, pursuant to the provisions in article 249.2 of the Spanish Limited Liability

Companies Law, the powers referred to in this resolution.

#### 11. Capital reduction via amortisation of treasury shares in connection with the preceding resolution of capital increase

It is resolved to authorize the Board of Directors to agree to reduce the share capital by means of the amortisation of own shares of the company in a maximum nominal amount equal to the nominal amount that is effectively executed in the capital increase resolved in previous section, charged to profits or unrestricted reserves and setting aside at the time of execution the so-called capital reduction reserve referred to in article 335 c) of the Limited Liability Companies Law.

It likewise resolved to delegate to the Board of Directors (with express powers of substitution), in conformity with article 7 of the Company Bylaws, the execution of this capital reduction resolution. The Board is to execute this resolution, on one or two dates, simultaneously to each of the Executions of the capital increase resolution mentioned in section above of this same Resolution, carrying out any proceedings, formalities and authorisations that are necessary or required by the Spanish Limited Liability Companies Law and any other applicable provisions; it shall adapt article 6 of the Company Bylaws to the new share capital figure; it must request the said amortisation and the subsequent capital reduction, designating the persons who can take part in the formalisation thereof.

(In the previous agreement, unanimously approved the Directors' Report thereon, attached as an annex to this Act).

#### i) Authorisation for the acquisition of own shares and for the reduction of the share capital:

Rendering void the authorisation granted in a resolution of the General Shareholders' Meeting of the company held on 28 April 2015, and pursuant to the provisions in articles 146 and related articles and 509 the Consolidated Text of the Spanish Limited Liability Companies Law, it is resolved to authorise the Board of Directors of the company and the Boards of Directors of the affiliates so that, during a term of one year from the date of this Meeting, which will be deemed to be automatically extended for identical periods up to a maximum of five years, unless the General Meeting resolves otherwise, and according to the conditions and requirements provided in the laws in force, they may acquire, at any time and as many times as they deem appropriate and by any means allowed by law, charged to profits for the year and/or freely disposable reserves, shares of the company, the nominal value of which added to that of the shares already held by the company and by its affiliates is not to exceed 10% of the share capital in issue or, as the case may be, of the maximum amount authorised by the law in force from time to time. The minimum price and the maximum price will respectively be the nominal value and the weighted average price corresponding to the last trading session prior to the transaction increased by 20%.

The Board of Directors of the company and the Boards of Directors of the affiliates are also authorised, for the term and according to the conditions established in the preceding paragraph, insofar as it is applicable, to acquire shares of the company by means of loans, at no expense or for a consideration, at an arm's length basis considering the market conditions and the characteristics of the transaction.

Express authorisation is provided so that the own shares acquired by the company or its

affiliates under this authorisation may be destined fully or partially: (i) to the disposal or amortisation thereof, (ii) to be delivered to workers, employees or directors of the company or of the group, when there is a vested right, either directly or as a consequence of the exercise of the option rights which they hold, for the purpose established in the last paragraph of article 146.1 a), the Consolidated Text of the Spanish Limited Liability Companies Law, and (iii) to dividend reinvestment plans or similar instruments.

For the purpose of amortising treasury shares and delegating the execution thereof to the Board of Directors in conformity with what will be stated below, it is resolved to reduce the share capital, charged to profits or freely unrestricted reserves, by an amount equal to the total nominal value of the treasury shares that the company holds, directly or indirectly, on the date the agreement to be adopted by the Board of Directors.

Pursuant to article 7 of the Company Bylaws, the execution of the capital reduction herein is delegated to the Board of Directors (with express powers of substitution), and said execution may be carried out one or several times, within the maximum term of five years following the date of this resolution, carrying out any proceedings, formalities and authorisations that are necessary or required by the Spanish Limited Liability Companies Law and any other applicable provisions. The Board of Directors is specifically authorised so that, within the above-mentioned term and limits, it may (i) set the date(s) of the specific capital reduction(s), taking into consideration the market conditions, the share price, the company's economic and financial situation, its cash situation, reserves and business development, and any other aspects that should reasonably be considered; (ii) specify the amount of each capital reduction; (iii) determine the destination of the amount of the reduction, either to non-disposable reserves or to freely disposable reserves, furnishing guarantees, as the case may be, and meeting the requirements established by law; (iv) adapt article 6 of the Company Bylaws to the new amount of the share capital; (v) request the delisting of the amortised shares and, generally, adopt any resolutions required for the purpose of said amortisation and the subsequent capital reduction, designating the persons who can take part in the formalisation thereof.

The execution of this capital reduction will be subordinated to the execution of the capital reduction by amortisation of treasury stock proposed to the Annual General Shareholders' Meeting under item 7 of the Agenda, such that in no event may it prevent the execution of said resolution pursuant to the provisions therein.

(In the previous agreement, unanimously approved the Directors' Report thereon, attached as an annex to this Act)

k) To authorise, indiscriminately, any of the members of the Board of Directors so that they may execute to the necessary extent the resolutions that have been adopted, undersigning any public or private documents that are necessary or appropriate for the purpose, and even so that they may correct them for the sole purpose of having them recorded with the relevant Mercantile Registry.