

REPORT OF THE BOARD OF DIRECTORS OF ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. ON THE PROPOSAL TO INCREASE CAPITAL, CHARGING IT IN FULL TO RESERVES AND AUTHORIZATION TO REDUCE CAPITAL FOR THE AMORTISATION OF TREASURY SHARES

The report herein is issued in compliance with the provisions in articles 286, 296 and 318 of the Consolidated Text of the Limited Liability Companies Law (the “**Limited Liability Companies Law**”), approved by Legislative Royal Decree 1/2010, of 2 July, and it refers to the approval of an increase of the share capital by means of the issuance of new shares charged to reserves which, under point 8 of the agenda, is proposed to the Annual General Meeting of Shareholders of ACS, Actividades de Construcción y Servicios, S.A. (“**ACS**” or the Company”), scheduled to take place on 7 May 2018, at first call, and on the following day, 8 May 2018, at second call.

By virtue of the above-mentioned articles, the Board of Directors must prepare a report justifying the proposal that will be submitted to the General Meeting of Shareholders, insofar as the approval of the proposal and of each of the executions (both of the capital increase and the capital reduction) necessarily require the amendment of article 6 of the Company Bylaws related to the share capital.

1 PURPOSE AND JUSTIFICATION OF THE PROPOSAL

1.1 Purpose of the capital increase

ACS has remunerated shareholders in the past by paying out cash dividends and intends to practice a policy that will allow shareholders, if they so desire, to continue to receive all of their remuneration in cash. Subject to the foregoing, in order to improve its dividend payment policy, the Company has started to offer its shareholders an alternative allowing them to receive fully-paid shares of the Company, benefiting from a tax treatment equivalent to that of dividend distribution, while at the same time still allowing the possibility of receiving the equivalent amount of the dividend payment in cash.

Therefore, the proposal of the share capital increase that is submitted to the Annual General Meeting of Shareholders, which is one of the objects of this report, is to offer all of the shareholders of the Company, in each execution of the increase, newly issued fully-paid shares or, as the case may be and by means of the transfer of the free allocation rights that they receive for the shares of which they are holders, a value equivalent to the dividend payment such that, as a consequence, the remuneration policy applying to the shareholders of the Company is not altered.

1.2 Structure of the capital increase and options for shareholders

The proposal, consisting of offering the shareholders of the Company the option of receiving, at their election, fully-paid shares of ACS or an equivalent amount in money (the Option”), has been structured by means a share capital increase charged to the voluntary reserves account (the “**Capital Increase**”), which is submitted to the approval of the Annual General Meeting of Shareholders under item 7 of the agenda.

The total number of shares to be issued in the Capital Increase will depend on the concrete number of shares that are issued on each of the dates on which, as the case may be, the Board of Directors (with express powers of substitution) decides to execute the Capital Increase fully or partially (each full or partial execution of the Capital Increase will be referred to as an “**Execution**,” and jointly they will be the “**Executions**”).

The Capital Increase will be executed on one or at most two different dates. The dates on which the capital increase will foreseeably be executed will be, in the case of the first

execution, within the three months following the date of the Annual General Meeting of Shareholders (thus coinciding with the date on which ACS traditionally has paid out the supplementary dividend each year) and it is also foreseen that the amount of the Executed Option in this first Execution is, as a maximum, EUR 299 million. If there is a second execution, it will foreseeably be carried out, no later than the first quarter of 2019 (coinciding with the dates on which ACS traditionally has paid out the interim dividend each year), the maximum amount being EUR 142 million.

On each of the two dates on which the Board of Directors (with express powers of substitution) decides to carry out an Execution:

- (a) The shareholders of the Company will receive a free allocation right for each ACS share they hold at the time. These rights will be negotiable and therefore they may be transferred under the same conditions as the shares from which they originate at the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges during a term of at least 15 calendar days, after which the rights will automatically become newly issued shares of the Company, which will be attributed to those who at the time are holders of free allocation rights. The specific number of shares to be issued in an Execution, and therefore the number of rights necessary for the allocation of a new share, will depend on the quoted price of the ACS share taken at the time when the Execution is resolved, in conformity with the procedure described in this report (the "Quoted Price"). In any event, as explained below, the total number of shares to be issued in each Execution will be such that the reference fair value of those shares, calculated at the Quoted Price, will in no case be higher than the Amount of the Executed Option (as defined below) set for that Execution (which in the first Execution cannot exceed EUR 299 million and in the second Execution, if it takes place, cannot exceed EUR 142 million). Also, neither the Amount of the Executed Option in an Execution, considered individually, nor the sum of each and all of the Amounts of the Executed Option may under no circumstance exceed the Total Amount of the Option, that is, a ceiling of EUR 441 million.
- (b) In each Execution, ACS, or a company in its group, will assume, in respect of the holders of free allocation rights, an irrevocable commitment to acquire said rights at a fixed Price for that Execution (the "**Purchase Commitment**"). This fixed price will be calculated prior to the opening of each period for the negotiation of the free allocation rights according to the Quoted Price (such that the Price per right will be the result of dividing the Quoted Price between the number of rights that are necessary to receive a new share plus one). In this way, the Company guarantees all the shareholders the possibility of monetising their rights, allowing them to receive cash.

Therefore, upon each Execution, the shareholders of ACS will have the option, which they are free to choose, of:

- (a) Not transferring their free allocation rights. In that case, at the end of each negotiation period, shareholders will receive the number of fully-paid new shares to which they are entitled.
- (b) Transferring the entirety or part of their free allocation rights to ACS by virtue of the Purchase Commitment at a fixed price guaranteed for that Execution. In this way, shareholders would choose to monetise their rights and receive the Executed Option in cash rather than receiving shares.
- (c) Transferring the entirety or part of their free allocation rights on the market. In this way

shareholders would also choose to monetise their rights, but in this case they would not receive a guaranteed fixed Price, but instead the consideration for their rights would generally depend on the market conditions, and it would particularly depend on the Quoted Price of the above-mentioned rights.

1.3 Possible replacement of the traditional dividend policy

This operation would allow the cash dividend policy to be replaced with a more flexible option consisting of an issuance of paid shares that may be executed on one occasion or on two occasions at the very most, in any event maintaining the possibility that the shareholder may choose to receive a cash amount equivalent to the entirety of the usual cash remuneration.

1.4 Total Amount of the Option

The aggregate fair value of the paid shares issued in the Capital Increase, calculated on the basis of the Quoted Price in force for each Execution, will amount to a ceiling of EUR 441 million (the “**Total Amount of the Option**”).

In each one of the two Executions, by means of the issuance of paid shares, a part of the Total Amount of the Option will be delivered to the shareholders of ACS (each one of the parts of said Amount will be an “**Amount of the Executed Option**”).

The Amount of the Executed Option of the first Execution (scheduled for within the three months following the date of the Annual General Meeting of Shareholders for financial year 2018) will total a ceiling of 299 million euros. In the event there is a second (and last) Execution (scheduled to take place no later than the first quarter of 2019), the Amount of the Executed Option will depend on the new shares that are ultimately allocated to the shareholders of the Company in the first Execution. In any event, the Amount of the Executed Option corresponding to the second Execution cannot exceed EUR 142 million.

1.5 Authorization for the Board of Directors for Capital reduction to amortize treasury shares simultaneously to each Execution of the Capital Increase

Also, and with the purpose of preventing the dilution that would be suffered by shareholders deciding to transfer their free allocation rights rather than subscribing to the paid capital increase, it is proposed to authorize the Board of Directors to agree a capital reduction by amortising treasury shares of the Company, which would take place simultaneously to each execution of the paid capital increase and for a nominal amount maximum equal to each execution of the capital increase.

2 MAIN TERMS AND CONDITIONS OF THE CAPITAL INCREASE

The main terms and conditions of the Capital Increase are described below.

1.1 Amount of the Capital Increase, number of shares to be issued and number of free allocation rights necessary for the allocation of a new share

The number of shares to be issued in the Capital Increase will be the sum of the total shares issued in each one of the two possible Executions of the Capital Increase. The amount of the Capital Increase will be the result of multiplying said number of new shares by the nominal value of the shares of ACS (EUR 0.5 per share). The Capital Increase will therefore take place at par, with no share premium.

Also, the number of shares to be issued in each Execution will be the result of dividing the Amount of the Executed Option between the value of the Company share taken at the time when it is decided to carry out said Execution (that is, the Quoted Price). The number thus

calculated will be rounded to arrive at a whole number of shares and also a whole figure for the share rights conversion ratio. In addition, and for the same purpose, ACS, or a group company that holds shares of ACS, will waive the free allocation rights to which it is entitled pursuant to what is stated in section below.

Once the number of shares to be issued in each Execution has been determined, the amount of the Capital Increase corresponding to each Execution will be the result of multiplying said number of new shares by the nominal value of the shares of ACS (EUR 0.5 per share).

Specifically, when it is decided to carry out an Execution, the Board of Directors (with express powers of substitution), will determine the number of shares to be issued and, therefore, the amount of the Capital Increase that will be executed then and the number of free allocation rights required for the allocation of a new share, by applying the formula below (rounding the result down to the next whole number):

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

where,

NAN = Number of New Shares to be issued;

NTAcc = Number of shares of ACS outstanding on the date on which the Board of Directors or the body to which it delegates resolves to carry out an 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,

$$\text{Provisional no. of shares} = \text{Amount of the Executed Option} / \text{PreCot.}$$

For this purpose, “**PreCot**” will be the arithmetic mean of the weighted average quoted prices of the Company share on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges in the 5 trading sessions prior to the Board of Directors agreement or the body to which it delegates the task of performing the Execution, rounded to the nearest thousandth euro (this amount is called the “**Quoted Price**” in this report).

1.2 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 then, calculated according to the formula established in section 1.1. above.

In the event that the number of free allocation rights needed for the allocation of a share multiplied by the new shares turns out to be lower than the number of shares outstanding then, ACS (or a group company which, as the case may be, is a holder of shares of ACS), will waive a certain 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.

In each Execution, the free allocation rights will be allocated 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 Bulletin of the Mercantile Registry. 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 (15) calendar days.

1.3 Purchase Commitment of the free allocation rights

As explained above, in each Execution, ACS or a company in its Group will assume the purchase commitment, consisting of the irrevocable commitment to purchase the free allocation rights corresponding to the Execution involved, such that the shareholders of the Company will be guaranteed the possibility of selling their rights to ACS or to a company in its Group, receiving, depending on what they choose, all or a part of the Option in cash.

The Purchase Commitment will be in force and it may be accepted during the term, within each negotiation period of the free allocation rights, which is determined for each Execution by the Board of Directors (with express powers of substitution). To this end, ACS is authorised to acquire said free allocation rights, with a ceiling of the total rights that are issued, and in any event abiding by the legal limitations applying at any given time. The purchase price by virtue of the Purchase Commitment will be fixed and different for each Execution and it will be calculated prior to the opening of the corresponding negotiation period of the free allocation rights according to the formula below (in which the definitions established in section 1.1. above will be applied), rounded to the nearest thousandth euro (el “**Purchase Price**”):

Purchase Price = PreCot / (No. of rights)

The final Purchase Price calculated in this way will be disclosed when the corresponding Execution is resolved upon.

In each Execution, ACS is scheduled to waive the new shares corresponding to the free allocation rights that the Company has acquired under the Purchase Commitment. In such event, there will be an incomplete allocation of the part of the Capital Increase that is then executed, and the share capital will be increased exclusively by the amount corresponding to the free allocation rights that were waived.

1.4 Rights of the new shares

The new shares that are issued in each Execution will be ordinary shares, each with a nominal value of half a euro (0.50), of the same class and series as those currently outstanding, represented by means of book entries, the accounting of which will be entrusted to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and its participant entities.

The new shares will entitle their holders to the same voting and dividend rights as the ordinary shares of ACS that are currently outstanding, starting from the date when the part of the Capital Increase that is executed is declared paid and called up. The new shares will be delivered fully-paid and entirely free of charge.

1.5 Balance sheet and reserve to which the Capital Increase is charged

The balance sheet serving as the basis for the Capital Increase is the one corresponding to the year ended 31 December 2017, audited by Deloitte, S.L., which is submitted for

approval at the Annual General Meeting of Shareholders under item [one] of the Agenda.

The Capital Increase will be fully charged to voluntary reserves, which as of 31 December 2017 amounted to EUR 1,137,891,828.77.

1.6 Tax system

The tax system applying in Spain to the shareholders is as follows:

The delivery of the shares as a consequence of each Execution of the Capital Increase will be considered a delivery of paid shares and, therefore, it does not represent income for the purpose of Personal Income Tax (“**IRPF**”), Corporation Tax (“**IS**”) or Non-Resident Income Tax (“**IRNR**”), regardless of whether the shareholder is acting through a permanent establishment in Spain or otherwise.

The acquisition value for the purpose of future transfers, both of the new shares received as a consequence of the Capital Increase and of the shares from which they originate, will be the result of distributing the total cost over the number of shares, both old shares and paid shares. The paid shares will have the same seniority as the shares from which they originate.

For shareholders choosing to sell their free acquisition rights to ACS by virtue of the Purchase Commitment, the tax system applying to the amount that is obtained will be the same one applied to cash dividends and therefore they will be subject to the same withholding or the same tax withholding or double taxation system as in IRPF and IS.

For shareholders selling their free allocation rights in the market, the tax system applying to their proceeds will be as follows:

- 1.6.1 When they are subject to IRPF or to IRNR without a permanent, the amount it will be considered a financial profit earned the transferor in the tax period in which transmission occurred.
- 1.6.2 If they are subject to IS or to IRNR with a permanent establishment in Spain (to the extent that a full trading cycle is closed), taxation will be according to the applicable accounting standards.

1.7 Delegation of powers and execution of the Capital Increase

It is proposed that the Board of Directors be empowered with express powers of substitution, the power to set the date(s) on which the Capital Increase resolution to be adopted by the General Meeting of Shareholders is to be carried out (bearing in mind in any case that the number of Executions cannot exceed two), and to set the conditions of the Capital Increase for anything not provided by the General Meeting of Shareholders, all of the foregoing under the terms and conditions and within the term of one year provided in article 297.1.a) the Consolidated Text of the Limited Liability Companies Law. Subject to the foregoing, if the Board of Directors (with express powers of substitution) does not deem the full or partial execution of the Capital Increase considered in the Option appropriate, within the relevant term it may submit to the General Meeting of Shareholders of ACS the possibility of partially revoking the execution, and in that event it would not be under the obligation of executing same.

On the dates on which the Board of Directors or the body to which it delegates decides to fully or partially execute the Option, carrying out an Execution and setting for the purpose all of the final terms and conditions where they are not provided by the General Meeting of Shareholders, the Company will disclose said terms and conditions. In particular, prior to

the commencement of each free allocation period, the Company will make publicly available a document containing information on the number and the nature of the shares and the reasons for the Execution, all of the foregoing in accordance with the provisions in articles 26.1.e) and 41.1.d) of Royal Decree 1310/2005, of 4 November, which partially develops Act 24/1988, of 28 July, on the Spanish Securities Market.

When the negotiation period of the free allocation rights of each Execution has ended:

- (a) The new shares will be allocated to those who are holders of free allocation rights in the required proportion.
- (b) The negotiation period of the free allocation rights will be declared 'ended' and the amount of the Capital Increase that it has been resolved to execute on that Execution date will be booked under voluntary reserves, said part being called up with that application.

Last of all, the Board of Directors (with express powers of substitution) will adopt the relevant resolutions of amendment of the Company Bylaws to reflect the new share capital figure resulting from each Execution and of request of listing of the new shares arising from each Execution at the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

1.8 Listing of the new shares

ACS will request the listing of the new shares that are issued as a consequence of each Execution in the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the *Sistema de Interconexión Bursátil* (Continuous Market), and it will carry out the proceedings and actions required for the listing of the new shares issued in each Execution.

3 CAPITAL REDUCTION FOR THE AMORTISATION OF OWN SHARES

In order to ensure that shareholders who decide to transfer their free allocation rights as a consequence of the Executions of the Capital Increase described in the preceding section do not experience a dilution of their holdings in the Company, it is also proposed to authorize the Board of Directors to agree a capital reduction by amortisation of treasury shares, the maximum nominal amount being that effectively executed in each of the Executions of the capital increase, charged to profits or unrestricted reserves, setting aside at the time of the execution a capital reduction reserve in conformity with article 335 the Consolidated Text of the Limited Liability Companies Law. Said capital reduction could take place once or twice at the most, simultaneously to each of the Executions of the Capital Increase.

Since this capital reduction is linked to the Capital Increase, the execution of which is delegated (two times at the very most) to the Board of Directors of the Company, it is also necessary to delegate the execution of the capital reduction to the Board of Directors. In this way, each resolution to execute a Capital Increase by the Board of Directors could be accompanied by a second resolution to execute a capital reduction for the amortisation of shares held by the Company as treasury shares, up to the maximum mentioned.

Hence the reason that the capital reduction resolution must be conceived in extensive terms, delegating to the Board of Directors (with express powers of substitution) a series of powers allowing it to use this procedure, which is considered by law, which include: (i) executing, simultaneously to each of the Executions of the Capital Increase, the capital reduction, or not carrying out same; (ii) adapting article 6 of the Company Bylaws to the

new share capital figure; (iii) requesting the de-listing of the amortised shares; and (iv) generally, adopting any resolutions that are required for the purpose of the amortisation and subsequent capital reduction, designating the persons who may intervene in the formalisation thereof.

4 RESOLUTION PROPOSAL THAT IS SUBMITTED TO THE GENERAL MEETING OF SHAREHOLDERS

The full text of the capital increase that is submitted to the Annual General Meeting of Shareholders under item 8 of the Agenda is the following:

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 section below (the “**New Shares**”), but the total sum of the fair value of the New Shares cannot exceed a ceiling of 441 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 2017 amounted to 1,137,891,828.77 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 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, in the first quarter of 2019, 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:

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

where,

Provisional no. of shares = $\text{Amount of the Executed Option} /$

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 2018, will at the most be 299 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 the first quarter of 2019, cannot exceed 142 million euros. In this way, the sum of each of the Amounts of the Executed Option cannot exceed the amount of 441 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:

Purchase Price = PreCot / (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 2017, 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 2017 amounted to 1,137,891,828.77 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:

- (a) 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.

- (b) 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:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (v) At each Execution, declaring the part of the capital increase that it was resolved to execute closed and executed.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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.

Madrid, 22 March 2018