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 2020, at first call, and on the following day, 8 May 2020, 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 intends to practice a policy that will allow shareholders, if they so desire, to receive all of their remuneration in cash. Subject to the foregoing, the Company has decided to offer its shareholders an alternative allowing them to receive fully-paid shares of the Company, benefiting from a tax treatment attributed to this type of transaction, 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 any of the reserves provided

for in Article 303.1 of the Limited Liability Companies Law (the "Capital Increase"), which is submitted to the approval of the Annual General Meeting of Shareholders under item 8 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 487 million. If there is a second execution, it will foreseeably be carried out, no later than the first quarter of 2021 (coinciding with the dates on which ACS traditionally has paid out the interim dividend each year), the maximum amount being EUR 143 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 487 million and in the second Execution, if it takes place, cannot exceed EUR 143 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 630 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 monetizing 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 monetize 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 monetize 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 630 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 2020) will total a ceiling of 487 million euros. In the event there is a second (and last) Execution (scheduled to take place no later than the first quarter of 2021), 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 143 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 amortizing 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):

NAN = NTAcc / 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:

No. of rights = NTAcc / Provisional no. of shares

where,

Provisional no. of shares = Amount of the Executed Option / 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 assigned to the shareholders of ACS who have acquired their shares until the date of publication of the announcement of each Execution of the capital increase in the Official Bulletin of the Mercantile Registry and whose transactions have been liquidated within the following two (2) trading days in the book records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear). 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 authorized 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+1)

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 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 2019, audited by KPMG, which is submitted for approval at the Annual General Meeting of Shareholders under item [one] of the Agenda.

In each Execution, the free allocation rights will be assigned to the shareholders of ACS who have acquired their shares until the date of publication of the announcement of each Execution of the capital increase in the Official Bulletin of the Mercantile Registry and whose transactions have been liquidated within the following two (2) trading days in the book records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear).

1.6 Tax system

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

- Shareholders subject to IRPF or IRNR with no permanent establishment:

 The delivery of the freed-up shares does not constitute income for these shareholders and they do not support withholding. 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.

 The sale of the free allocation rights to ACS under the Purchase Commitment will be considered a dividend and will be subject to taxation and the corresponding withholding. However, those shareholders who pay IRNR and who do not have a permanent establishment, but reside in a country with which Spain has an agreement to eliminate double taxation, must abide by the provisions of such agreement.

 The sale of free allocation rights on the market is classed as a capital gain and the entire amount will be subject to taxation and the corresponding withholding. We would refer non-resident shareholders who do not have a permanent establishment to the guidelines in the case above.

- Shareholders subject to IS or IRNR with a permanent establishment. These shareholders will be taxed in accordance with the applicable accounting regulations, as well as the rules for determining the tax base and the different special schemes provided for by the rules governing these taxes. The above is regardless of the option chosen (delivery of paid shares, sale of free allocation rights on the market or sale of those rights at a fixed price to ACS). With that in mind, we would like to highlight the Resolution of March 5, 2019, of the Institute of Accounting and Account Audits, which implements the criteria for presenting financial instruments and other accounting items related to capital company trading regulations, which establish the accounting treatment for this kind of transaction for those entities that have to follow them.

Furthermore, in an attempt to clarify the impact of the aforementioned Resolution on withholdings, the Company has opened up a dialog with the Spanish Tax Authority (Dirección General de Tributos, DGT), which is pending resolution and based on which shareholders will be given the appropriate information. In the event the DGT favors the obligation to withhold or pay in all or some of the options (or, in absence of any criteria from

the DGT, that is the criteria of the Company), the shareholder shall cooperate in the practice of this withholding or payment regardless of the facilities that the depository institutions may grant. To this end, part of the free allocation rights or the shares issued in the Capital Increase may be drawn down.

It must be borne in mind that the treatment described in this section does not constitute tax advice, nor does it include all of the tax considerations that may be relevant to a shareholder depending on their specific circumstances. Specifically, there is no mention of the consequences that may arise in their countries of residence for those shareholders who do not have tax residency in Spain. As such, shareholders are recommended to consult their tax advisors on the specific tax impact attributed to each of the options, taking into account their specific circumstances, and to pay attention to any changes that could arise, both in current legislation on the date(s) it is decided to implement the Capital Increase and in their criteria for interpretation.

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 any of the reserves provided for in Article 303.1 of the Limited Liability Companies Law, 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 amortization 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 amortization 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 amortized shares; and (iv) generally, adopting any resolutions that are required for the purpose of the amortization and subsequent capital reduction, designating the persons who may intervene in the formalization 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 630 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 any of the reserves provided for in Article 303.1 of the Limited Liability Companies Law, through the issue of ordinary shares to be freely allocated to the Company's shareholders (the "Capital Increase"). 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 2021, 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:

   NAN = NTAcc / 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 / 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 2020, will at the most be 487 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 2021, cannot exceed 143 million euros. In this way, the sum of each of the Amounts of the Executed Option cannot exceed the amount of 630 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 assigned in each Execution to the shareholders of ACS who have acquired their shares until the date of publication of the announcement of each Execution of the capital increase in the Official Bulletin of the Mercantile Registry and whose transactions have been liquidated within the following two (2) trading days in the book records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear). 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 authorize 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 any of the reserves provided for in Article 303.1 of the Limited Liability Companies Law. On implementing each of the Executions, the Board of Directors (with express sub-delegation or substitution powers) shall determine the reserve(s) to be used and the amount of these pursuant to the balance sheet serving as a basis for the transaction.

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+1)

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 2019, duly audited and approved by this Annual General Shareholders' Meeting.

As has been stated, the capital increase will be fully charged to the reserves provided for in Article 303.1 of the Limited Liability Companies Law, through the issue of ordinary shares to be freely allocated to the Company's shareholders (the "Capital Increase"). On implementing each of the Executions, the Board of Directors (with express sub-delegation or substitution powers) shall determine the reserve(s) to be used and the amount of these pursuant to the balance sheet serving as a basis for the transaction.

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 formalize in the accounts the application of the reserves provided for in Article 303.1 of the Limited Liability Companies Law 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 Withholding of free allocation rights or shares

It is agreed that part of the free allocation rights or the shares issued in Execution of the Capital Increase in favor of those paying Corporation Tax or Non-Resident Income Tax with a permanent establishment in Spain, may be subject to a drawdown or withholding or some kind by the Company to pay any tax that is due to be drawn from these shareholders by the Company.

11 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.

(iv) 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.

12 Capital reduction via amortization 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 amortization 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 authorizations 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 amortization and the subsequent capital reduction, designating the persons who can take part in the formalization thereof.