EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON ITEM 10 OF THE AGENDA OF THE ANNUAL GENERAL SHAREHOLDERS' MEETING CONCERNING THE DELEGATION TO THE BOARD OF DIRECTORS OF THE POWER TO EXTEND THE SHARE CAPITAL TO A MAXIMUM OF 50% OF THE SUBSCRIBED CAPITAL STOCK, ONCE OR MULTIPLE TIMES AND AT ANY TIME WITHIN THE MAXIMUM PERIOD OF 5 YEARS, BY MEANS OF MONETARY CONTRIBUTIONS WITH THE POWER, WHERE APPROPRIATE, TO AGREE TO EXCLUDE PREEMPTIVE SUBSCRIPTION RIGHTS UP TO A LIMIT OF 20% OF THE SHARE CAPITAL.

1. THE PURPOSE OF THE REPORT.

The Board of Directors of ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A. (hereinafter "**ACS**" or the "**Company**") at its meeting held on March 26, has agreed to submit to the General Shareholders' Meeting under item 10 of its agenda, a proposal concerning the delegation of authority to the Company's Board of Directors to extend the share capital to a maximum of 50% of the share capital at the time of approval of that delegation, including the power, where appropriate, to agree to exclude preemptive subscription rights up to a maximum nominal amount of 20% of the share capital at the time of approval of that delegation, in accordance with Article 506 of the Consolidated Text of the Capital Companies Act, approved by the Royal Legislative Decree No 1/2010 of July 2 (the "**Capital Companies Act**").

In this regard, and in accordance with Articles 286, 296.1, 297.1.b) and 506 of the Capital Companies Act, the ACS Board of Directors issues this report, with the aim of justifying the previous proposal, as regards Article 297.1.b). of the Capital Companies Act, subject to compliance with the requirements of that rule for the amendment of Articles of Association, to the General Shareholders' Meeting of companies to delegate to its Board of Directors the power to agree, once or multiple times and within no more than five (5) years, the increase in capital up to the limit of half the Company's share capital at the time of approval of that delegation, through cash contributions, at the amount decided by that delegation, without prior consultation with the General Meeting.

2. EXPLANATION OF THE DELEGATION TO THE BOARD OF DIRECTORS OF THE POWER TO INCREASE THE CAPITAL STOCK OF THE COMPANY.

The Company, for the development of its business, must maintain adequate levels of own resources compared to its volume of activity and market situation. It is considered necessary for the Company to have a level of own resources comparable to that of its main competitors, as this is a solvency measure of the company that is heavily taken into account by analysts, rating agencies, supervisors and the entire market in general. In this regard, the Board of Directors considers it appropriate to have the delegated powers approved in the current regulations in order to be able to consider, assess, and, where appropriate, take advantage of any opportunity that allows the Company to meet possible additional or desirable needs.

In this regard, the members of the ACS Board of Directors consider that the delegation in favor of the Board that is proposed to the General Shareholders' Meeting for approval, where appropriate, offers greater dynamism to carry out increases in the Company's share capital that could be motivated by the normal development of the Companies' activities and always in favor of its interests, by avoiding the costs and deadlines for the convening and holding of General Meetings that would otherwise be necessary above all because it is not possible to sufficiently anticipate in advance the amount necessary for the corresponding increase in capital to take place, and this delegation allows for a faster reaction in order to be able to handle the potential need for capital.

This dynamism is of great importance, not only because of the requirements that might arise from the conditions and circumstances of the markets at any time, but also in light of the proposals for agreements that will be submitted, along with the one justifying this report, for the approval by ACS's Shareholders, regarding the expected issuance of bonds and other securities convertible into shares of the Company.

In light of the above situation, it is of the utmost interest for the Company to provide its Board of Directors with the greatest possible flexibility to meet the Company's needs, in a manner consistent with the usual practice in most listed companies. That is why the delegation in favor of the Company's Board of Directors is proposed to the General Shareholders' Meeting so that the Company can extend the share capital once or multiple times, and according to the amount, dates, conditions and other circumstances it deems appropriate, up to the limit of half of the share capital existing at the date of the delegation and for a maximum period of five years, as provided for by Law, as well as to enable it to carry out any necessary formalities so that the new shares subject to the increase or increases in capital, if any, are approved for trading on the domestic and foreign stock exchanges, in accordance with the procedures provided for in each of these exchanges.

For the appropriate purposes and for the reasons indicated above, it is noted that the Board of Directors must also have the power to exclude preemptive subscription rights in relation to the issuance of shares to be delegated, in accordance with Article 506 of the Capital Companies Act, because the Company has the status of a listed company, although that right to exclude preferential subscription rights has a maximum nominal amount, overall, equal to 20% of the share capital at the time of approval of that delegation in line with recommendation 5 of the Code of Good Governance of listed companies in force. Establishing the same precept of the obligation to issue an explanatory report on excluding preemptive subscription rights, the Board of Directors considers that, in the interest of the greater flexibility and dynamism that have been identified above as fundamental to the achievement of the Company's interest, it is necessary for it to be conferred with the power to exclude, in whole or in part, the right of preemptive subscription rights of the Company's shareholders, when the interest of the Company so requires, under the terms of Articles 308, 505 and other concordant articles of the Capital Companies Act.

In this regard, in accordance with the provisions of Article 506 of the Capital Companies Act, in the event that, with regard to an increase in capital that the Board of Directors carried out in executing the powers delegated under this proposal, it was decided to

exclude the preemptive subscription right, in any case up to a maximum nominal amount, in total, equal to 20% of the capital at the time of approval of that delegation, the Board of Directors shall draw up a report justifying that decision, which shall be accompanied by the corresponding report issued by an independent expert other than the auditor of the Company's accounts, appointed by the Commercial Registry for that purpose. These reports will be made available to shareholders and transmitted during the first General Shareholders' Meeting to be held after having adopted the increase agreement.

The Board of Directors considers that the power to exclude preemptive subscription rights is complementary to that of increasing share capital, which is justified for a number of reasons. Firstly, the abolition of the preemptive subscription rights usually allows for a reduction in the costs associated with the operation (including, in particular, the commissions of the financial institutions participating in the issuance) compared with an issuance of preemptive subscription rights. Secondly, with the power to abolish the preemptive subscription rights, the directors are in a position to significantly expand the speed of action and response that current financial markets sometimes demand, allowing the Company to take advantage of the times when market conditions are most favorable. Furthermore, the abolition of the preemptive subscription right may allow the Company to optimize the financial conditions of the transaction and, in particular, the type of issuance of the new shares, by being able to more accurately match the expectations of qualified investors to whom these capital increases are often directed, while minimizing the risks of issuance by reducing the exposure of the transaction to changes in market conditions.

Similarly, the exclusion of the preemptive subscription right mitigates the distortion of the trading of the Company's shares during the issuance period, which is usually shorter than an issuance with preemptive subscription rights.

In any case, it is stated that the exclusion, in whole or in part, of the preemptive subscription rights constitutes only one power that the General Shareholders' Meeting attributes to the Board of Directors, the implementation of which will depend on the Board of Directors itself deciding to take such action, taking into account the circumstances and legal requirements applying in each case.