



**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y  
SERVICIOS, S.A.**

*(Incorporated with limited liability in the Kingdom of Spain)*

**€750,000,000**

**EURO COMMERCIAL PAPER PROGRAMME**

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Euro commercial paper notes (the "**Notes**") issued during the twelve months after the date of this document under the €750,000,000 Euro commercial paper programme (the "**Programme**") of ACS, Actividades de Construcción y Servicios, S.A. described in this document to be admitted to the official list of Euronext Dublin (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**").

There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand (see "*Risk Factors*" on pages 1-20 of this Information Memorandum).

Potential purchasers should note the statements on pages 83-90 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014 on the Issuer relating to the Notes. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information is not received by the Issuer in a timely manner.

The Issuer has been assigned a short-term credit rating of A-2 (stable outlook) and a long-term credit rating of BBB (stable outlook) by S&P Global Ratings Europe Limited ("**S&P**"). S&P is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

*Arranger and Dealer*

**SANTANDER CORPORATE AND INVESTMENT BANKING**

## IMPORTANT NOTICE

This Information Memorandum (together with any documents incorporated by reference, the "**Information Memorandum**"), as may be supplemented, contains summary information provided by ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**" or "**ACS**") in connection with a euro commercial paper programme (the "**Programme**") under which the Issuer may issue and have outstanding at any time euro commercial paper notes (the "**Notes**") up to a maximum aggregate amount of €750,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S ("**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**"). Pursuant to an amended and restated dealer agreement dated 29 April 2019 (the "**Dealer Agreement**"), the Issuer has appointed Banco Santander, S.A. ("**Banco Santander**") as arranger for the Programme (the "**Arranger**") and as dealer for the Notes (hereinafter referred to as, the "**Dealer**" and, together with any institution subsequently appointed as a dealer pursuant to the Dealer Agreement, the "**Dealers**") and authorised and requested the Dealer to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Notes.

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be set out in final terms (each the "**Final Terms**") which will be attached to the relevant form of Note (see "*Forms of Notes*"). Each Final Terms will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes, which are set out in the relevant form of Note. Copies of each Final Terms containing details of each particular issue of Notes will be available from the specified office of the Issuing and Paying Agent (as defined below) set out below.

The Issuer has confirmed to the Dealer that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum, as a whole, or any such information contained or incorporated by reference therein, misleading. Any statements of intention, opinion, belief or expectation contained in the Information Memorandum are honestly and reasonably made by the Issuer and, in relation to each issue of Notes agreed as contemplated in the Dealer Agreement to be issued and subscribed, the Information Memorandum together with the relevant Final Terms contains all the information which is material in the context of the issue of such Notes.

Neither the Issuer nor Banco Santander, S.A. in its capacity as Arranger and/or Dealer, nor any institution subsequently appointed as a dealer pursuant to the Dealer Agreement, accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

This Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term paper published by Euronext Dublin. This Information Memorandum should be read and construed with any supplemental Information Memorandum, any Final Terms and with any document incorporated by reference.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained or incorporated by reference in this Information Memorandum, in the Dealer Agreement (as defined herein), in any other document prepared in connection with the Programme or in any Final Terms or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Dealer.

Banco Santander, in its capacity as Arranger and Dealer has not independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by it as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum, any Final Terms, or any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes, or in or from any accompanying or subsequent material or presentation by Banco Santander.

The information contained in the Information Memorandum or any Final Terms is not and should not be construed as a recommendation by Banco Santander, in its capacity as Arranger and/or Dealer, any institution subsequently appointed as a dealer pursuant to the Dealer Agreement, or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Final Terms.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor do they undertake to advise any recipient of the Information Memorandum or any Final Terms of any information or change in such information coming to their attention.

Neither the Arranger nor any Dealer accepts any liability in relation to this Information Memorandum or any Final Terms or its or their distribution by any other person. This Information Memorandum does not, and is not intended to, constitute (nor will any Final Terms constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and any Final Terms and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Final Terms or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealer(s) to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes set out under "*Subscription and Sale*" below.

## **MiFID II PRODUCT GOVERNANCE/TARGET MARKET**

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules for the rest of the notes.

## **BENCHMARK REGULATION**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the

date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).**

The Issuer has undertaken, in connection with the admission of the Notes to the Official List and trading on the Main Securities Market that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the terms and conditions of the Notes, that is material in the context of the issuance of Notes under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue by the Issuer of Notes to be admitted to the Official List and trading on the Main Securities Market. Any such supplement to this Information Memorandum will be subject to the approval of Euronext Dublin prior to its publication.

This Information Memorandum describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Notes (see "*Risk Factors – Risks in relation to the Notes – Risks in relation to Spanish Taxation*" and "*Taxation – Taxation in Spain*"). Holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

#### *Interpretation*

In the Information Memorandum, references to "**EUR**", "**€**" and "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended; references to "**Sterling**" and "**£**" are to the currency of the United Kingdom; references to "**U.S. dollars**" and "**U.S.\$**" are to the currency of the United States of America; and references to "**JPY**" and "**¥**" are to the currency of Japan.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

#### *Ratings*

Tranches of Notes issued under the Programme will be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

## CONTENTS

	<b>Page</b>
IMPORTANT NOTICE.....	ii
RISK FACTORS.....	1
DOCUMENTS INCORPORATED BY REFERENCE.....	21
KEY FEATURES OF THE PROGRAMME.....	22
DESCRIPTION OF THE ISSUER.....	26
CERTAIN INFORMATION IN RESPECT OF THE NOTES.....	47
FORM OF NOTES.....	51
FORM OF FINAL TERMS.....	77
TAXATION.....	83
ANNEX I.....	90
SUBSCRIPTION AND SALE.....	93
GENERAL INFORMATION.....	96

## **RISK FACTORS**

*The Issuer believes that the following factors may affect their ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as at the date of this Information Memorandum, but the inability of the Issuer to pay any amounts due on or in connection with any Notes or the Deed of Covenant, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the information set out elsewhere in this Information Memorandum and reach their own view prior to making any investment decision.*

*Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, amongst other things, the following:*

### **Risks Relating to the Issuer or its Industrial Sector**

#### ***Current state of the global economy***

The risks and points raised in this section have been assessed and included on the basis of the following sources:

- European Commission, "Winter 2019 Interim Economic Forecast" which can be found at: [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/winter-2019-economic-forecast-growth-moderates-amid-global-uncertainties\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/winter-2019-economic-forecast-growth-moderates-amid-global-uncertainties_en)
- IMF, "World Economic Outlook Update, January 2019" which can be found at: <https://www.imf.org/en/Publications/WEO/Issues/2019/01/11/weo-update-january-2019>

The business performance of the Group is closely connected with the economic development of the countries and regions in which the Group carries out its activities. The business operations, as well as the financial condition and the results of operations of the Group, may be adversely affected if the global economic environment deteriorates, particularly in those zones where there is a greater concentration of the Group's business (Asia-Pacific, North America (the United States, Canada and Mexico) and Europe).

As at the date of this Information Memorandum, the global economy is slowing down following a period of sustained above-potential growth in many major economies amid high uncertainties, and the outlook varies for different parts of the world. Activity in some advanced economies was weaker than expected, especially in the Euro-zone and Japan, and signs of a slowdown in China became more apparent. On the other hand, economic growth in the US, India and emerging Asia remained solid. A number of factors may negatively influence the economic outlook in different continents. On the one hand, trade tensions between the US and China have recently eased but there is still high uncertainty around the nature and scope of the possible agreement between the two countries. The entry into force of trade agreements including the Trans-Pacific Partnership and the EU-Japan Economic Partnership Agreement should contribute to avoiding a generalized escalation of trade protectionism. Although the risk of further escalation of trade tensions appears to have somewhat receded over the last couple of months, it could still affect the global economic outlook. On the other hand, global financial market prices have shown high volatility over the last few months, reflecting evolving perceptions of the mix of data and policy news. Market sentiment has been soured by concerns about global growth in a context of high indebtedness, trade tensions and policy uncertainty. A range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. These potential triggers include a "no-deal" withdrawal of the United Kingdom from the European Union ("EU") and a greater-than-envisaged slowdown in China. Moreover, geopolitical risks and a range of other non-economic factors continue to weigh heavily on the outlook in various regions.

By regions, among the major advanced economies, in the United States a divided Congress is expected to lead to greater uncertainty around fiscal policy deadlines, as proven by the recent partial government shutdown. In particular, the political stalemate raises doubts about the capacity of the US government to avoid a sharp fiscal tightening ("fiscal cliff") over the forecast horizon and in particular next year. While monetary policy normalisation in the US went on last year, expectations of further tightening have been significantly fading in recent months.

In the Euro-zone, despite the recent improvement in labour market conditions, low financing costs, and a slightly expansionary fiscal policy stance, economic expansion is growing at a more moderate pace. Private consumption remained muted in a number of Member States at the end of last year, possibly reflecting lower consumer confidence. In addition, investment dynamics have proven to be particularly vulnerable to the weakening external environment. This economic growth moderation is the result of a combination of internal and external factors. The recent slowdown turned out to be more pronounced than expected. Over the next two years, the economy is expected to continue growing but at a slower pace. The Euro-zone appears to be particularly impacted by the uncertainty regarding trade policies and a declining trend in global manufacturing output translated into weaker global trade growth, given the geographical orientation of its external trade and its product specialisation. Specific European factors also contributed to the loss of growth momentum, including the evolution of car production, as well as social tensions and fiscal policy uncertainty in some Member States. The ECB's ("**European Central Bank**") monetary policy has remained highly accommodative. Though the ECB decided to end its net asset purchases in December 2018, significant monetary policy stimulus was still considered necessary to support the further build-up of domestic price pressures and inflation over the medium term. The necessary degree of monetary accommodation will be provided by the forward guidance on the ECB policy rates and the reinvestments of the sizeable stock of acquired assets going forward. Moreover, notable divergences in economic performances across EU Member States is likely to continue. Due to the continuing implementation of various reforms and deleveraging of banks, the public and private sectors differ across Member States. Stretched valuations for some asset classes, including equity, combined with broadly-based low volatility and compressed risk premium, suggest that global financial markets may be vulnerable to a re-assessment of fundamentals and risks. This could expose fragilities related to the debt overhang in a number of EU Member States. Also, risks related to the outcome of "Brexit" negotiations remain, as do risks associated with a shift towards more inward-looking and protectionist policies. The outcome of the Brexit process will impact financial markets and investors. A "no deal" exit would lead to a more disruptive impact on the EU-UK trade relationship and on economic activity in Europe than currently envisaged under the purely technical assumption about trade relations after the UK's exit from the EU used for this interim forecast. The medium-term outlook for the Euro-zone remains subdued because projected potential growth is held back by weak productivity, adverse demographics and, in some countries, a public and private debt overhang. In Germany, downside risks are related to weaker than anticipated growth in foreign trade, muted investment, poorer business and consumer confidence, and slower or weaker take-up of the planned fiscal stimulus. In France, at the end of the year, social protests affected GDP growth. In this context, forecast private consumption stagnated despite several fiscal measures favourable to purchasing power that had already been enacted before the social unrest. In the UK, GDP growth was subdued in 2018 and is expected to register a modest growth in 2019. This slowdown is linked to heightened uncertainty over the UK's future trading relationship with the EU, which has negatively impacted consumer and business confidence and spending. In Spain, the expected mild deceleration of real GDP growth has already materialized and growth is expected to decelerate further. The labour market reforms undertaken in recent years might continue to deliver positive results, but the risk of a counter-reform in this area and the expected dampening impact of the increase in the minimum wage and of the increase of social security contribution rates could lead to a negative evolution in labour market developments. In addition, investment in both equipment and construction is also expected to decelerate in line with final demand, after buoyant growth in recent years. Moreover, financial fragmentation, structural rigidities, and unresolved fiscal challenges are likely to partially dampen the recovery.

The economic outlook for emerging markets and developing economies remains diverse.

Growth in emerging and developing Europe is now expected to weaken more than previously anticipated. Given subdued productivity growth and adverse demographics, these countries may not be able to maintain the past levels of growth without accepting a widening of external imbalances. In addition, fiscal policy appears to be neutral or expansionary in this area, although this is not appropriate in economies where growth has been running above potential, since times of relative economic stability should be used to rebuild fiscal buffers by following growth-friendly fiscal consolidation to help reduce still high external debt levels.

In Russia, the economy is under severe pressure. Over the medium term, growth is expected to remain below its potential level, constrained by moderate oil prices, economic sanctions, adverse demographics and other structural impediments. Other economies of the Commonwealth of Independent States are caught in the slipstream of Russia's recession and geopolitical tensions, and in some cases, this is further exacerbated by domestic structural weaknesses.

Regarding Asia, in Japan, momentum is driven by the strengthening of global demand and policy actions to sustain a supportive fiscal stance. Looking further ahead, as support from the fiscal stimulus package gradually ceases, economic activity could decelerate over time towards the potential output growth rate.

In China, the risk of a sharper economic slowdown remains elevated as the authorities face domestic policy constraints, mounting concerns about the effectiveness of policy stimuli, the possibility of further deterioration on the trade front, and the potential for weaker domestic demand. Growth has been slowing since 2012, as the economy has been rebalancing to a more sustainable growth model. This process of rebalancing involves not only lower growth but also a shift from heavy industry and construction to more advanced manufacturing and production services, and from investment and export to consumption. China's trade patterns are also being affected by its evolving comparative advantage, driven by growing human capital and diminishing labour supplies. In the medium term, China's economic growth is expected to remain on a gradual downward trend. In particular, investment growth will continue as overcapacity is gradually cut back. The Chinese economy is in the midst of transitioning its sector focuses. In this vein, delaying the slowdown of the GDP growth comes at the cost of further large increases in debt, so that downside risks increase.

In Australia, despite labour market conditions continuing to improve, a recent slowdown in the momentum of output growth has been evidenced. Business investment is expected to increase modestly led by the non-mining sector. Mining investment is expected to decline, consistent with the construction phase of the remaining liquefied natural gas projects nearing completion. The housing market is also expected to decline.

With respect to the rest of the Asia-Pacific region, Japan's economy is set to grow by 1.1% due to additional fiscal support to the economy, including measures to mitigate the effects of the planned consumption tax rate increase. India is expected to have an increased growth rate, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease. In the medium term, the economic outlook will be conditioned by the implementation of several key structural reforms oriented to unify the vast domestic market. In other economies such as Indonesia, Malaysia, the Philippines, Thailand, and Vietnam, the economic growth is expected to be robust.

In Latin America and the Caribbean, economic growth is projected to recover over the next two years but the economic outlook is far from being homogeneous. Mexico's growth prospects for 2019–20, reflect lower private investment. In Venezuela, a more severe contraction than previously anticipated is now expected. The downgrades for the region are only partially offset by an upward revision to the 2019 forecast for Brazil, where the gradual recovery from the 2015–16 recession is expected to continue. Argentina's economy will contract in 2019 as tighter policies aimed at reducing imbalances slow domestic demand, before returning to growth in 2020. In addition, the economies of Chile and Colombia are expected to expand below their potential growth rates. Finally, uncertainty concerning the duration of positive global financial conditions poses risks for the region and vulnerabilities in the financial and corporate sector.

In sub-Saharan Africa, downside risks remain because of idiosyncratic factors in the region's largest economies and delays in implementing policy adjustments. Growth is expected to pick up in the region, but barely above population growth, as large consolidation needs weigh heavily on public spending. Plans to diversify economies away from oil and create jobs for the rapidly-growing populations have also been announced but such economic transformation will take time. In South Africa, growth is projected to remain subdued, as in spite of more favourable commodity export prices and strong agricultural production, the heightened political uncertainty affects consumer and business confidence.

In the Middle East, North Africa and Pakistan, economic growth is expected to remain subdued in 2019. Multiple factors weigh on the region's outlook: they include weak oil output growth, offsetting an expected pickup in non-oil activity (Saudi Arabia); tightening financing conditions (Pakistan); US sanctions (Iran); and, across several economies, geopolitical tensions. Regional insecurity and geopolitical risks still weigh heavily on the economic outlook.



Finally, a number of medium-term problems that predate the crisis, such as the impact of an ageing population on the labour force and weak growth in total factor productivity, remain relevant as at the date of this Information Memorandum. These problems contribute to low potential growth in advanced economies - which may be affecting the pace of recovery - and a decline in potential growth in emerging markets.

Economic growth in countries where the Group (as defined in the section below titled "*Description of the Issuer*") operates remains dependent on a number of factors that are not within the control of the Group. In this regard, in a number of economies, an increase in public infrastructure investment could support demand in the short term and help boost potential output in the medium term. However, the use of fiscal policy as a countercyclical policy tool may be constrained by a lack of fiscal space that limits the ability to use fiscal stimulus and its effectiveness. Deterioration of the economy of continental Europe, or other regions where the Group has a greater concentration of business (Asia-Pacific and North America), could have a material adverse effect on the financial condition and the results of operations of the Group.

***The Group's business may be adversely affected by developments in European sovereign debt markets and by the exit from the Eurozone of one or more current Eurozone states***

Conditions in the Eurozone economy generally continue to show signs of fragility and volatility as at the date of this Base Prospectus, with political tensions in Europe being particularly heightened. In recent years, sovereign debt crises in various European countries have led to concerns about the ability of some EU member states, including Italy, where the Group has operations, to service their sovereign debt obligations. Such concerns have impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many EU nations, indicating a reassessment of the associated risks. Despite measures undertaken by the European Central Bank, concern has remained among investors that some countries in the Eurozone might default on their obligations, which has resulted in a general reduction in financing, greater volatility in the overall markets and acute difficulties in obtaining liquidity internationally. On more than one occasion, fear arose that the European Monetary Union might be dissolved, or that certain individual member states might revert to their pre-euro currencies. While the probability of country defaults has decreased since 2012, the possibility of a European sovereign default still exists, and with it the risk that the effect of any sovereign state default spreads by contagion to other EU economies. Should any Member State default on its debt, or experience a significant widening of credit spreads, major financial institutions and banking systems throughout Europe could be adversely affected, with wider possible adverse consequences for global financial market conditions.

The United Kingdom's vote in favour of leaving the EU and subsequent invocation of Article 50 of the Treaty of Lisbon demonstrated that a nation's participation in the EU is reversible and has also given rise to calls for the governments of other EU member states to consider withdrawal. The effects of the UK's decision to leave the EU are still unknown and will depend on any agreements the UK makes to retain access to EU markets either during a transitional period or more permanently, as well as the timing of such negotiations and agreements. The UK's exit from the EU could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. If other Member States decide to leave the EU, whether following a sovereign debt default or otherwise, this could have a material adverse effect on the Group by, for example, impacting the cost and availability of credit and causing uncertainty and disruption in relation to financing. Concerns about independence movements within the EU, such as that continuing in Catalonia, could cause significant market dislocations and lead to adverse economic and operational impacts that are inherently difficult to predict or evaluate. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Risks related to unexpected adjustments and cancellations of projects***

The Group's project portfolio is exposed to unexpected adjustments and cancellations. The agreements entered into by the Group's companies to carry out their projects are usually entered into for periods of more than two years. This increases the risk of early cancellation of these agreements. Furthermore, in certain circumstances the Group's companies may not be entitled to compensation for early termination. In addition, the scope of the agreed work as part of a project may change. This may lead to an increase in costs in connection with the project as well as to reduced profits or to losses.

Any cancellations of or changes in projects as well as changes in the corporate strategy of the clients of the Group may negatively affect its project portfolio, which may have a material adverse effect on the results of operations and the profit of the Group.

***Risk of a declining customer base***

The Group's activities in the environment business unit depend, to a large extent, on the continuation of the current trends in the public and private sectors to outsource services that are not the focus or core of the relevant entity's activity or business. Should this tendency decline or reverse, this could have a material adverse effect on the business and the results of operations of the Group.

**Risks in Relation to the Construction Business Sub-Unit**

***Cyclical nature of the residential construction industry***

In general, the construction industry is of a cyclical nature and depends on investments carried out by the public sector as well as the private sector.

Investments in residential building are affected by a series of factors, such as demographic trends, which may be particularly negative in the coming years: they include the availability of financing for developers and the ability of homebuyers to meet mortgage costs. This capacity depends in turn on the wage level and the evolution of the employment rate. The outlook for the residential construction sector is not homogeneous by country and subject to economic conditions and some uncertainties. In those regions in which the Group is active there could be a worsening of demographic developments, labour market conditions, the evolution of the mortgage markets and the supply of bank credit.

Should an unfavourable environment for investment in global construction projects in the private sector continue, this would have a material adverse effect on the business operations, the financial condition and the results of operations of the Group.

***Risks in relation to private sector construction projects***

The level of new orders for construction projects in the private sector globally has been negatively affected by the economic conditions. In some cases, projects in progress have been suspended pending improved general economic conditions, and potential projects have been abandoned. Should this trend persist or become more widespread, this could have material adverse effects on the business, the financial condition and the results of operations of the Group.

***Risks resulting from delays and cost increases in the construction industry***

Large construction projects carried out by the Group are exposed to specific risks, such as claims relating to building defects, or cost increases with regard to materials, machinery and labour, as well as factors generally influenced by the economic environment. Even though some agreements include price adjustment clauses, it is not always possible to eliminate or reduce these risks.

If sub-contractors of the Group fail to meet project deadlines or the agreed budget, this may lead to delays and additional costs in the construction which may then further lead not only to a delay in payment receipts, but also to fines or a cancellation of the agreement by the Group's customers. Furthermore, the Group's reputation as a construction company could be damaged. Such increases in costs, decreases in earnings and potential reputational damage to the Group could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

***Risks in relation to public sector infrastructure projects and civil works***

Investment in civil works does not only depend on citizen demand but also on economic and social infrastructural needs. It is also highly conditioned by fiscal imbalances and the public debt level of governments demanding these infrastructures. The overall high level of public debt and the need to reduce public deficits and implement fiscal consolidation policies in most of the developed countries in which the Group operates represents a risk with respect to future levels of orders that the construction division may receive. The recent massive use of public-private partnership ("**PPP**") schemes by numerous countries

across five continents as a way of procuring public services and infrastructure assets has recently mitigated these risks. However, this circumstance could change in the future as a consequence of a modification in the political and social consideration of the recourse to PPP schemes.

Should governments budget allocations for infrastructure projects be further reduced, or not be increased, or should new decisions be made leading to a delay in, or cessation of, public infrastructure projects already awarded to the Group, this could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

#### **Risks in Relation to the Concessions Business Sub-Unit**

##### ***Concessions disinvestment risk***

Sometimes the business strategy of the Group consists of selling concessions when they mature. Therefore, a suitable investor for the relevant concession has to be found and the relevant sales process has to be successfully completed. Should the Group's strategy of selling concessions fail, this could have a material adverse effect on the financial condition and the results of operations of the Group.

As at the date of this Information Memorandum, ACS has capital holdings in some motorway and railway infrastructure concessionaires which are experiencing difficulties due to the impact of the financial crisis on the use of these infrastructures. The solutions found for the financial rebalancing processes will condition both the divestment calendar and the sale price of these assets.

##### ***Risks resulting from the need to review the portfolio of concessions***

The Group aims to renew its portfolio of concessions on an ongoing basis. Should the Group not be awarded new concessions with which to replace the concessions previously sold, or concessions remaining in the portfolio which will expire or will terminate or be withdrawn, the extraordinary income from the sales as well as the ordinary income from the operation of concessions, could decline. This could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

##### ***Risks related to revenues from the operation of concessions***

The ordinary income realised by the Group from the operation of infrastructure concessions depends in part on the fee revenue from the relevant concession. Any option to increase such revenue above the agreed amount may be restricted or limited and the fees may be reduced by the relevant public authority during the term of the concession. The income from the operation of infrastructure concessions carried out by the Group may depend on the number of users of the infrastructure underlying the concession – in addition to the fee rates – which in turn depends on demand. If the number of users of the infrastructure operated by the Group or its availability for use, respectively, is lower than the number of users or the availability for use initially provided for in the economic plans and financial budgets, or if the fees initially used as a basis in the economic plans and financial budgets are reduced, this could have material adverse effects on the business, the financial condition and the results of operations of the Group.

##### ***The Group operates in a regulated industry and, in particular, environmental laws could increase the Group's costs***

The Group must comply with applicable environmental regulations established by local, regional, national and EU bodies which regulate the Group's activities. The technical requirements imposed by environmental regulations are gradually becoming more costly, complex and stringent. These laws may impose strict liability in the event of damage to natural resources or threats to public safety and health. Strict liability may mean that the Group is held liable for environmental damage regardless of whether it has acted negligently, or that it owes fines whether or not damage exists or is proven. The relevant authorities may impose fines or sanctions or may revoke and refuse to grant authorisations and permits because of a breach by the Group of applicable regulations.

The entry into force of new laws, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase the Group's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities. Breaching any of these regulations could result

in reputational damage, which, in addition to the impact of any regulatory changes, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***During their initial years of operation, the Group's concessions may generate little or no cash***

During the initial years of a concession, the costs of financing often consume a large proportion of a concession's available cash flows, leaving little or no cash available for distribution. Furthermore, it is possible that the Group's cash flow projections for a concession will not be met, and that the concession may therefore take longer than expected to generate a profit or may never do so. Such a shortfall of cash may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Risks associated with Alazor Inversiones, S.A., in connection with radial highways III and V and radial highway II***

In March 2015, the Issuer received a notification relating to the enforcement of the payment to the banks, for which the Issuer filed claims regarding the guarantees granted by the Issuer in relation to Alazor Inversiones, S.A. ("**Alazor**"). The amount deposited in the court account (of which €87.85 million euros corresponded to the Group as enforcement guarantees) was returned after the court decision.

Subsequently, the shareholders have claimed compensation for late payment interest and damages (€11.32 million corresponding to the Group). As at the date of this Information Memorandum the Madrid Provincial Court had not pronounced its judgement in this respect. The Group may not succeed in such claims.

Regarding radial highways III and V, the funds, current owners of the credit, have resumed the process, notifying in January 2019 of a new claim for a total amount of €757 million (plus interest). ACS's share amounts to €179 million. In February 2019, the shareholders have responded to this new claim.

Regarding radial highway II, the funds have claimed through a letter sent using notarial conduct to the shareholders and guarantors to pay amounts for overcost (due to eminent domain and construction) for a value of €480 million in the radial highway II. ACS's share amounts to €168 million.

**Risks in the Services Business Unit**

***Limited term of the concessions and service agreements***

A large part of the income of the services business unit is generated through concessions regarding the provision of services as well as service agreements entered into with private companies and public authorities. At the end of financial year 2018, the backlog (namely the number of agreed orders and contracts which have not yet been completed) for both types of services was 24 months. Once a concession expires, the Group must participate in another tender procedure in order to renew the relevant concession. Similarly, the Group frequently has to compete with other companies to renew private agreements after their expiry. Furthermore, concessions and agreements with private entities are subject to numerous conditions and obligations, with the failure to fulfil such conditions or obligations potentially leading to a termination of the concessions or cancellation of the agreements.

Regarding concessions for public services, the public authorities in specific countries are entitled to unilaterally amend or cancel concession agreements. Please see "*Risk of termination or early withdrawal of the concessions by public authorities*" above for more information on the risk of a termination or early withdrawal of concessions.

Should the Group be unable to maintain or renew the concessions and the service agreements it currently has been awarded, or should the Group not be awarded new concessions or service agreements, this could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

## **Risks in the Industrial Services Business Unit**

### ***Risks relating to the awarding of new projects***

A significant part of the income of the Group in the industrial services business unit is generated directly or indirectly through turnkey projects (namely, projects developed from inception to delivery). These projects have increasingly become technologically complex. Typically, the contract for the entire project is awarded to a general contractor in a tendering competition, considering not only the price but also the quality of the service, technological capacity, efficiency and personnel, as well as reputation and experience.

Should the price competition intensify and fewer business opportunities considered by the Group as profitable arise, there could be fewer orders available to the Group. Should the Group be unable to enter into new project agreements, or to do so profitably, this could have a material adverse effect on the financial condition and the results of operations of the Group.

### ***Risks related to the estimate of construction costs and deadlines for completion***

In part, the Group offers its services in the industrial services business unit at fixed prices or as a lump-sum offer, amongst other things, in connection with engineering, procurement and construction ("**EPC**") agreements. In these kinds of agreements, additional costs, incurred as a consequence of an inaccurate cost estimates or as a consequence of exceeding the budgeted costs during the implementation of the project (for example, due to fluctuations in the price of raw materials, changes in the execution calendar, or design or procurement deficiencies), may lead to the project being less profitable than expected or to losses arising to the Group.

Some of the circumstances described above are beyond the Group's control and may lead to its inability to complete the project at the budgeted costs or according to schedule (which may, in turn, lead to the imposition of an agreed contractual penalty). This could have a material adverse effect on the financial condition and the results of operations of the Group.

### ***Risks related to national and international political measures to promote renewable energies***

The implementation and profitability of projects of the Group in the zone of renewable energies depend materially on the political and legal conditions for the promotion of such projects. Although in recent years renewable energy initiatives have been generally supported by the public authorities in those jurisdictions in which the Group is active, the Group believes that, going forward, the renewable energy industry will need to be able to compete on a non-subsidised basis with both conventional and other alternative energy sources. As public sector subsidies and other incentives are progressively withdrawn in those jurisdictions in which the Group implements renewable energy projects, this could result in an increase in the costs of implementing those projects, and there can be no assurances that the Group will be able to recover those costs from end-users of renewable energy. As a result, the withdrawal of subsidies and incentives to renewable energy production, or any public statement by a relevant public authority to do so, could have a material adverse effect on the business, the financial condition and the results of operation of the Group.

The activity of the Group could be jeopardised in two ways if the regulators in the countries where it operates modify the economic incentives for promoting sustainable energy sources. On the one hand, its activity could be jeopardised as a result of potentially reduced activity in the services provided by the public sector for installing new plants which generate renewable energy, in addition to a reduction in the number of new projects in this sector. On the other hand, it could be subject to possible negative effects to the term and/or in the sale price of shares for projects previously undertaken by the Group. Any negative impact on the renewable energy markets in which the Group is active could have a material adverse effect on the financial condition and the results of operations of the Group.

### ***Risks related to regulatory changes***

Regarding the hibernation of the underground gas storage facilities ("**Castor**") and the compensation to be paid to Enagás Transporte S.A.U., which was agreed by a decree-law ("**DL**") of the Spanish government, in December 2017, the Constitutional Court declared that the reasons for urgency and necessity required by the Constitution for the executive power to legislate by DL did not exist. During the required process of approval for a new regulation (with the force of Law), the Group could suffer reputational damage if this issue is connected with the initial concessionaire firm of Castor, Escal UGS, S.L., (a company in which the

Group had a stake) in the media. In addition, in October 2018, the National Commission on Markets and Competition (*Comisión Nacional de Mercados y la Competencia*) ("**CNMC**") notified Escal UGS, S.L. of the agreement to initiate the *ex officio* review procedure for the definitive liquidations of the regulated activities of the natural gas sector in relation to the payments made to Escal UGS, S.L. This company presented arguments against the appropriateness of the revision. On 7 February 2019, a proposal was received for a resolution according to which these allegations were not accepted. As at the date of this Information Memorandum this procedure is ongoing. Should the Group face a resolution against the payments made by the administration affecting Escal UGS, S.L., this could have a material adverse effect on the financial condition and the results of operations of the Group.

## **Risks Related to the Overall Business of the Group**

### ***Risks in Relation to Derivative Transactions***

The Group has entered into derivative transactions, including transactions on interest rate, currency and equity. Derivative markets are in the process of being reformed. In Europe, this reform has led to the adoption of Regulation 648/2012, known as the European Market Infrastructure Regulation ("**EMIR**"). EMIR introduces new requirements to improve transparency and reduce risks associated with the derivatives market. EMIR came into force on 16 August 2012, although the main requirements are being progressively implemented from 2013 to 2018. As at the date of this Information Memorandum, EMIR requires, *inter alia*, all EU derivatives market participants who enter into any form of derivative transaction, including (amongst others) derivative transactions on interest rate, currency and equity, to report all derivative transactions to a trade repository and implement new risk mitigation techniques (including timely confirmation of transactions, portfolio reconciliation, dispute resolution and daily valuation). EMIR also requires, with respect to certain entities, the clearing through a central counterparty of over-the-counter derivatives that are subject to a mandatory clearing obligation, and the exchange of collateral for all non-cleared over-the-counter derivative transactions.

Compliance with the requirements imposed by EMIR which apply to the Group and with the requirements arising from any other derivatives regulations to which it could be subject could be burdensome, giving rise to additional expenses that may have an impact on the Group's financial condition. Additionally, such regulations could increase the cost of conducting hedging activities. Non-compliance with such requirements applicable under EMIR or under any other derivatives regulations to which the Group could be subject could constitute an offence under the Spanish Securities Markets Act which could result in the imposition of fines by the relevant supervisory authority.

Additionally, although the corporate management of the Group establishes counterparty selection criteria based on the quality of credit of the financial institutions, which translates into a portfolio of entities of high quality and solvency, the Group is exposed to the risk of breach by its counterparties in transactions involving financial derivatives.

### ***Risk of competition***

All of the Group's business units operate in highly-competitive sectors which require considerable use of human, material, technical and financial resources. The companies competing with the various subsidiaries and business units of the Group may have greater technical and financial resources available than those available to the Group or may be more experienced or have better knowledge of the markets in which the Group operates or in which it intends to expand. Other companies may also be willing to accept lower margins and would therefore be able to submit a technologically better offer at the same price or a similar offer at a lower price than the Group.

For these reasons, it could become more difficult for the Group to be awarded new projects, concessions and agreements. Likewise, the Group could find itself compelled to accept construction and other projects, concessions and agreements or providing services at lower margins than in the past. This could have a material adverse effect on its business, financial condition and results of operations.

### ***Legal risks related to licensing and approvals***

In order to be able to carry out specific projects, the Group may have to obtain approvals, licences, certificates and other permits from the competent authorities in specific project phases. There can be no assurances that the Group will be able to obtain the relevant approvals at all, or on a timely basis, or that it

will be able to fulfil the requirements for such approvals in all cases. This could lead to delays, which could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

***The Group could be adversely affected by violations of anti-bribery and corruption laws***

Over the years an increasing number of anti-bribery and corruption laws and regulations have been approved worldwide and now apply in a significant number of countries and territories where the Group conducts its business. These laws and regulations are amended from time to time and their scope and reach may change. Such anti-bribery and corruption laws and regulations generally prohibit companies and their intermediaries from granting financial or other advantages to officials or others for the purpose of obtaining or retaining business. The Group operates in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, compliance with anti-bribery and corruption laws may conflict with local customs and practices. In addition, some of the jurisdictions in which the Group operates or may operate in the future lack a developed legal system or may have failed to implement and enforce such laws and regulations, and consequently may have high levels of corruption. In this scenario, the Group's continued international expansion, and development of joint venture relationships with local contractors and local agents increases the Group's risk of being exposed to violations of such anti-bribery and corruption regulations by its local partners or agents.

If the Group, its employees, agents, partners, subcontractors or suppliers breach any such laws, the Group could suffer, in addition to reputational damage, from criminal or civil penalties or other sanctions, including fines; denial of export privileges; injunctions; asset seizures; debarment from government contracts; termination of existing contracts; revocations or restrictions of licenses; criminal fines; or imprisonment of key personnel, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Dependency on various provisions under environmental law***

The Group operates in different businesses and jurisdictions with increasing environmental law and regulation requirements, which have in turn become increasingly complex and strict. The applicable regulations may provide for liability regardless of fault for any damage caused to natural resources or for a mere threat to public health and safety without having caused any actual environmental damage. Such liability regardless of fault, may lead to liability for environmental damage irrespective of whether it was caused negligently or whether several persons are jointly responsible for the damage. Irrespective of who is personally liable under civil law or, if applicable, criminal law, entities of the Group may also be considered liable.

A stricter application of the environmental laws or regulations, the entry into force of new laws, the discovery of currently unknown environmental contamination or the introduction of new or stricter requirements for obtaining licences and approvals could have a material adverse effect on the business, the financial condition or the results of operations of the Group.

***Risks due to legal claims***

Claims may be asserted against the Group based on accidents occurring or mistakes made during the implementation of construction works and projects, the operation of concessions by the Group or during the provision of services. Such claims may relate to the injury or death of human beings, damage to facilities and accessories or environmental damage. They may be based on alleged acts or omissions of the Group and/or of its sub-contractors.

Additionally, the Group is required to provide commercial guarantees to clients in respect of the proper functioning of construction works carried out by it. A failure of any such works to perform as specified could result in claims being made against the Group under the relevant guarantee(s). Any such claim could materially adversely affect the business, financial condition or results of operations of the Group, and could furthermore have a materially adverse effect on the Group's reputation.

The Group typically takes out insurance policies and tries to stipulate limits on liability in the contracts to which it is a party, with a view in each case to mitigate the risk of a claim under any such guarantee. However, the insurance taken out by the Group and contractual liability limits may not provide sufficient coverage to the Group with regard to the consequences of the circumstances described above and the

corresponding liability claims. Furthermore, indemnifications granted to the Group by sub-contractors may be ineffective to the extent that the relevant sub-contractors do not have sufficient insurance cover of their own, or the necessary resources to satisfy the claims made against them by the Group. On the other hand, the Group may decide that no insurance covering the above risks will be taken, or may not be able to take out the insurance on a reasonable basis or ensure that each agreement will include appropriate indemnifications. Even if any insurance cover exists, the liability claims could exceed the amount insured or lead to an increase in insurance premiums. All of the above could have a material adverse effect on the business, the financial condition or the results of operations of the Group.

In particular, in the case of TP Ferro, and after not having agreed a rebalance of the project with the Spanish and French authorities and the financing banks, a bankruptcy procedure was filed, and a judge adopted a liquidation resolution for that company on 15 September 2016. Afterwards, both the Spanish and French authorities declared the administrative termination of the concession, and on 20 December 2016 the reversion of the concession to both countries was signed. In July 2018, the Spanish and French authorities concluded that in their interpretation of the concession contract, the concessionaire must pay just over €75 million to the grantor states. This resolution will favour the continuity of litigious scenarios initiated by TP Ferro and its creditors against the states.

In December 2015, the CNMC issued a resolution on the file opened to several companies, including Dragados, S.A., for alleged anti-competitive practices in relation to the modular construction business. The decision, which amounts to €8.6 million was appealed in 2016. Resolution has not taken place as at the date of this Information Memorandum.

Recently, on 14 March 2019, the CNMC has issued a resolution imposing fines on certain companies, four of them within the Group (Cobra Instalaciones y Servicios S.A. ("**Cobra**"), Semi, Cymi and Electrén) for an aggregate amount of €51.36 million. These fines relate to the findings that some conducts could have led to the falsification of the competence of different companies within the electromechanic and railroad installations sector in public tenders by Adif and Renfe in the period between 2002 and 2015. The CNMC has communicated the resolution to the National Consulting Council for Public Tenders (*Junta Consultiva de Contratación Pública del Estado*) in order to initiate the proceeding to establish a prohibition of these companies in the public sector with the scope determined by that council. This resolution is going to be challenged in court requesting its suspension until there is a final ruling.

Finally, in connection with the concession contract for the Lima Metro Line 2 Project in Peru, the concession company Metro de Lima Línea 2, S.A. (in which Iridium Concesiones de Infraestructuras, S.A. holds 25% of the shares) filed a request for arbitration against the Republic of Peru (Ministry of Transport and Communications) before the International Centre for Settlement of Investment Disputes between States and Nationals of other States for serious breaches of the concession contract. Through the lawsuit memorial filed by the concessionaire in January 2018 and the reply memorial filed by the concessionaire in November 2018, a request has been made for an extension of the execution period of the works of the project, and compensation for damages in excess of €700 million, which includes damages affecting different parties involved in the project (concessionaire, construction group, rolling stock supplier, etc.). In the statement of defence in response to the lawsuit by the Republic of Peru in May 2018 and the writ filed in February 2019, Peru has rejected the claims, and has included a countersuit against the concessionaire company claiming an amount in excess of €700 million for socio-economic and environmental damages caused by the delay in putting the Project into operation.

The risks related to these concessions are described in more detail under "*Risks related to revenues from the operation of concessions*", below.

### ***Risks due to tax disputes***

There are at least two sources of tax risks. On the one hand, there is risk arising from changes in tax legislations that could not be foreseen at the time when investment decisions were adopted. This could affect the achievement of the investment return objectives if the tax factor was relevant. Moreover, changes in tax laws could jeopardise the effective use of tax credits, generating a deviation in the cash flow for the payment of taxes. On the other hand, the Issuer is established in Spain, but the Group also operates in almost 65 countries through a number of subsidiaries which must operate in compliance with the applicable tax regulations in their jurisdictions. In this regard, although the corporate tax policy of ACS determines that a prudent tax practice must be followed, the interpretation of the tax laws in different tax jurisdictions



could trigger material tax disputes or legal proceedings, such that claims could materially adversely affect the business, financial condition or results of operations of the Group.

***The Group requires an amount of cash to service its debt, and its ability to generate sufficient cash depends on many factors beyond its control.***

The Group's ability to make payments on its debt and to fund working capital, capital expenditure and research and development will depend on its future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Group's control, as well as the other factors discussed in these "Risk Factors".

***Risks arising from supplier agreements and the sub-contracting of services***

In carrying out construction works and projects, operating concessions and the services it offers, the Group relies on external manufacturers of equipment and sub-contractors. In the event that it is impossible for the Group to sub-contract specific services or to acquire equipment and materials complying with the relevant plans, quality standards, specifications and cost objectives, this may affect the scheduled commissioning of concessions or a satisfactory provision of services to clients. Therefore, there is a risk of contractual penalties, cancellations of agreements and liability claims, which could have a material adverse effect on the financial condition and the results of operations of the Group.

***Risks related to the Group's presence in emerging markets***

In 2018, 13.2% of sales were generated in emerging markets: in Latin America (including Mexico), 7.9% ; in Africa, 0.9% ; and in Asia ex-Oceania, Hong Kong and Japan 4.3%. These emerging markets are exposed to political and legal risks which are present to a greater degree than in Europe, North America (excluding Mexico) and Australia. These risks include the risk of nationalisation and expropriation of private assets, political and social instability, frequent changes in the general legal conditions and government policy as well as changes in tax policy and price control. These markets also face a higher risk of macro-economic instability and volatility than the markets in the industrialised nations, which may lead to restrictions in foreign currency transactions, in repatriating profits and importing investment goods. These risks could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

***Risk Related to Desaladora de Escombreras, S.A***

In a Court Order dated 28 April 2016, Trial Court N°5 (*Juzgado de Instrucción N°5*) of Murcia agreed to initiate a preliminary proceeding (number 956/2016), which opened a confidential judicial investigation (*secreto sumario*) into a subsidiary of the Issuer. The confidential judicial investigation (*secreto sumario*) was adjourned by a court order dated 7 March 2018, which was acknowledged by the Issuer on 21 March 2018.

The preliminary proceeding is in its initial phase, investigating alleged offences of perverting the course of justice and embezzlement in relation to the acquisition of the company Desaladora de Escombreras, S.A. by the state-owned entity Hidronostrum, S.A.

On the basis of the current status of the proceedings described above and further to the analysis of its legal counsels, the Group has decided not to make any provisions in the 2018 financial statements in relation to these proceedings considering that their outcome will not have a material adverse effect for the years in which the accounts are settled. Should an outcome of the proceedings described above prove unfavourable to the interests of the Group, this could have an adverse effect on the financial condition and the results of the Issuer.

***The Group's operations are subject to extensive regulation, including environmental, health and safety and other regulations, as well as the need to manage relationships with NGOs, local communities and others***

As part of its normal course of operation and development activities, the Group has expended significant resources, both financial and managerial, to comply with governmental and environmental regulations including permitting requirements, and will continue to do so in the future. However, it is possible that

future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies, and claims for damages to property and persons resulting from the Group's operations, could result in additional substantial costs and liabilities, restrictions on or suspension of its activities and delays in the exploration and development of its properties.

Failure to comply with applicable environmental, health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that the Issuer has been or will be at all times in complete compliance with such laws or permits, that its compliance will not be challenged or that the costs of complying with environmental and health and safety laws and permits, current and future, will not materially or adversely affect the Group's future cash flow, results of operations and financial condition.

As a consequence of public concern about the perceived ill effects of infrastructure development, particularly in developing countries, the Group's operations face increasing public scrutiny. The international standards on social responsibility, community relations and sustainability against which the Group benchmarks its operations are becoming increasingly stringent and extensive over time; adherence to them is increasingly scrutinized by regulatory authorities, citizens groups and environmental groups, as well as by investors and financial institutions. In addition, the Group operates in several countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise.

These disputes are not always predictable and may cause disruption to the Group's operations or development plans. The Group's operations can also have an impact on local communities, including the need, from time to time, to relocate or resettle communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, governments and non-governmental organisations ("NGOs") may harm the Group's reputation as well as its ability to bring development projects into production. For example, in Guatemala, the Group has faced criticism and legal challenges from various NGOs and environmental groups in connection with the impact of the diversion of certain sections of the Cahabón river on indigenous peoples during the various phases of construction of the Renacer hydroelectric project.

In addition, the costs and management time required to comply with standards of social responsibility, community relations and sustainability, including costs related to resettlement of communities or infrastructure, have recently increased substantially and are expected to further increase over time.

Adverse publicity generated by criticism from NGOs, trade unions or others related to development projects generally, or the Group's operations specifically, could have an adverse effect on the Group's reputation and financial condition and may impact the relationship with the communities in which the Group operates. Such groups may install road blockades, apply for injunctions for work stoppage, make criminal complaints to local authorities, or file lawsuits for damages. Such complaints, regardless of whether they have any substance or basis in fact or law, may have the effect of undermining the confidence of the public or a regulator in the Group and may adversely affect the price of the Notes, the Group's ability to raise capital, or the Group's prospects of obtaining the regulatory approvals necessary for advancement of some or all of its development plans or operations.

#### ***Risks due to the further geographical expansion of the business***

The Group plans a further functional and geographic expansion of its business activities into new countries and markets. This expansion involves, in particular, the risk that the Group will not generate sufficient or any profits in the new business units and countries. There can be no assurances as to when such expansions may become profitable, if at all. Losses and even a smaller level of profits could have a material adverse effect on the financial condition and the results of operations of the Group.

#### ***Risks related to technological changes***

The technologies used in the different sectors in which the Group operates are subject to fast and continued development. Increasingly complex technological solutions, which are continuously evolving, are used in these sectors. Should the Group be unable to react appropriately to the current and future technological developments in the sectors in which it carries out its activities, this could have material adverse effects on the business, the financial condition and the results of operations of the Group.

***Risks related to the cancellation of projects and termination or early withdrawal of concessions by public authorities***

The Group performs its concessional activities worldwide through projects such as, for example, highway transport concessions, bus and train transfer stations, bridges, tunnels, energy concessions and storage projects, hospitals and other public-private partnerships and contract mining. The conduct of those concessional activities by the Group, including their commercial operation, depends on public authorities' decisions and authorisations. The public authorities in those countries in which the Group has been awarded concessions may unilaterally cancel, suspend, terminate or withdraw such concessions on the grounds of public interest, the existence of material changes in economic conditions or environmental concerns.

The Group generally aims to carry out its activities in industrialised countries in which this risk is typically lower. However, there can be no assurances that the public authorities in those jurisdictions in which the Group operates will not make decisions that adversely affect the business of the Group, by not authorising the exploitation of a particular project for any reason, or by adversely changing the legislative and/or regulatory framework in which the Group operates.

If a public authority cancels a project of the Group prior to or after the start-up of its exploitation, or if it terminates or provisionally or definitively withdraws a concession awarded to the Group, the Group may have a claim for compensation against that public authority. However, such compensation ultimately awarded to the Group may be insufficient and, should this be the case, it would have a material adverse effect on the business, financial condition and results of operations of the Group.

***Damage to the Group's reputation could cause harm to the Group's business prospects***

Maintaining a positive reputation is critical to the Group attracting and maintaining customers, investors and employees. Damage to the Group's reputation can therefore cause significant harm to its business and prospects. Harm to the Group's reputation can arise from numerous sources, including, amongst others, employee misconduct; litigation or regulatory; failure to deliver standards of service; compliance failures; unethical behaviour; and the activities of customers and counterparties. Further, negative publicity regarding the Group, whether or not true, may result in harm to its prospects.

**Risks Related to Shareholdings of the Group**

***Risks related to sectors, geographical markets, indebtedness and litigation***

Material amendments to the legal provisions applicable to the operating sectors of companies in which the Group holds shares and to the operating risks of these companies, as well as the specific risks related to the countries and regions in which they operate, could affect their market value and have a material adverse effect on the future financial condition and the results of operations of the Group.

Any failure to fulfil payment obligations by the companies in which the Issuer holds shares, an increase of the borrowing costs of these companies as a consequence of higher liabilities or material fluctuations in interest rates, or clear cost increases as a consequence of any litigation in connection with the operation of their business activities, as well as corporate actions, could have a material adverse effect on the financial condition and the results of operations and the distribution of dividends of these companies. This could also have a material adverse effect on the financial condition and the results of operations and the profitability of the Group.

***Strategy of growth by acquisitions***

The acquisition of companies with a strong presence in strategically important markets for the Group as well as the acquisition of shareholdings in listed companies, which operate in equally strategically important sectors for the Group, have been a decisive factor in the Group's growth strategy.

In the case of an economic slowdown, the opportunities for growth through acquisitions depend essentially on whether the Group is able to recognise strategic investment opportunities and whether it has its own funds and the external funds required to carry out an intended investment, in particular considering the currently restrained lending environment in the jurisdictions in which the Group is active. If this were not the case, this could have material adverse effects on the business, the financial condition and the results of operations of the Group.

### ***Risk related to acquisition of a stake in Abertis***

In October 2017, Hochtief made an offer to all shareholders of Abertis Infraestructuras, S.A. ("**Abertis**") to acquire all shares in Abertis ("**Takeover Offer**"). In March 2018, ACS, Hochtief and Atlantia S.p.A. ("**Atlantia**") announced to the market that the three companies (the "**Parties**") had reached a binding agreement on a joint final investment in Abertis. In particular, according to this agreement, the Parties have capitalised a special purpose vehicle company ("**Holding Company**") whose capital has been distributed such that Atlantia holds 50% plus one share, ACS, 30%, and Hochtief, 20% minus one share. After the result of the voluntary tender and some subsequent purchases to reach 98.7% of Abertis share capital, the Holding Company acquired its full stake in Abertis from Hochtief for a consideration equivalent to the one paid by Hochtief in the acquisition. Subsequently to this, Abertis has been delisted.

Abertis is a group of companies which manage toll roads in 14 countries in Europe, the Americas and Asia. The Group is the leading toll road operator in countries such as Spain, Chile and Brazil, and has a notable and significant presence in France, Italy, Puerto Rico and Argentina. The Group also has interests in the management of roads in France, the UK and Colombia. In this respect, Abertis is subject to risk related to its international operations such as fluctuations in local economic growth, changes in inflation rates, and devaluation of local currencies and social conflicts, among others. Abertis is also exposed to a number of risks relating to the volume of traffic using its roads: the fact that does not have discretion to increase the tariffs on its toll roads and the fact that Abertis may not be able to extend or replace its toll road concession agreements. In addition, Abertis operates in a competitive and regulated industry such that environmental laws could increase Abertis' costs. Moreover, this company faces legal risks related to licensing and approvals and is also exposed to operating risk because participation in competitive tender processes may require regulatory authorisation procedures, which can generate significant expense with no assurance of success. Furthermore, a failure to accurately estimate risks, the availability and cost of resources, project duration and future revenues when bidding on concessions could adversely affect Abertis profitability. The company may suffer losses in excess of insurance proceeds, or from uninsurable events and is exposed to risks connected with failing to meet infrastructure development objectives. In the same way, Abertis' concessions may generate little or no cash and the company depends to a significant extent on public sector customers and projects.

In this context, a significant deviation in Abertis' profitability levels could lead to a lower amount of dividends received by the Group, whereby Abertis' dividends become a non-negligible share of the Group's results.

### ***Risk of dependency on key personnel***

The Group employs highly-qualified technical and managerial staff, both at Group level as well as at the level of the relevant divisions and areas of activity. The exit of key employees may have a material adverse effect on the business of the Group. Should the Group not be able to hire or retain sufficiently qualified technical and managerial staff, this could limit or delay the business performance of the Group.

### ***Risks resulting from judicial proceedings and other legal disputes***

The Issuer and its subsidiaries are parties to a series of judicial and other legal proceedings and disputes. In most cases, the pending judicial proceedings and other legal disputes of the Group have their origin in the ordinary business activities of the Group. These judicial proceedings result from the Group's relations towards clients, suppliers, employees, authorities or activities carried out by the Group entities. The outcome of these judicial proceedings and disputes is uncertain and cannot be predicted with reasonable certainty.

Even though the Group creates provisions in its accounts in accordance with the best possible estimates based on available information, any pending and future judicial proceedings or other legal disputes may have a material adverse effect on the business, the financial condition and the results of operations of the Group.

In this vein, the claim from the Spanish Public Prosecutor's Office in relation to an alleged crime against the environment and natural resources as a result of micro-earthquakes detected in Castor's gas storage area is still at the initial investigation phase.

### ***The Group is exposed to cybersecurity risks***

The Group may be affected by threats and vulnerabilities in connection with information, control systems, or information and communications systems used by the Group, or by any consequences of unauthorised access to or the use, disclosure, degradation, interruption, modification or destruction of information or information systems, including the consequences of acts of terrorism. Any material uninsured losses and reputational damage caused by any cybersecurity breaches may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### ***The Group's financial condition and results of operations may be adversely affected if it does not effectively manage its exposure to interest rate and foreign currency exchange risk***

#### *Interest rate risk*

Variations in interest rates modify the reasonable value of those assets and liabilities that accrue a fixed interest rate as well as the future flows of assets and liabilities referenced against a variable interest rate. The objective of the management of interest rate risk is to achieve equilibrium in the structure of debt in order to reduce subsequent volatility on the Group's income statement. The Group hedges its transactions through derivative transactions that mitigate part of these risks; however, there is no assurance as to the effectiveness of such measures.

#### *Exchange rate risks*

Exchange rate risks are inherent in, *inter alia*, the following transactions:

- *debt denominated in foreign currency contracted by the Group;*
- *collections and payments for supplies, services or equipment in foreign currencies;*
- *income and expenses of the Group in foreign currencies; and*
- *profit or loss on consolidation of the financial statements of the Group's foreign subsidiaries.*

The global nature of the Group's operations means that it is exposed to exchange rate risks. The Group uses currency swaps and exchange rate insurance in order to mitigate part of these risks; however, there is no assurance as to the effectiveness of such measures.

#### *Refinancing risk*

As a result of the application of new international financial regulations ("**Basel III**"), and in order to recover investor confidence, major banks are immersed in a process to strengthen their balance sheets by means of reducing assets and increasing capital, a process known as deleveraging.

Basel III's rules respond to the need to strengthen regulation, supervision and management of risks in the banking sector and constitute a set of measures meant to improve the banking sector's ability to absorb shocks deriving from economic and financial stress, so as to improve the risk management and governance of financial institutions. However, in the event that financial tensions and synchronised deleveraging arise on a large scale with relation to international banks, this could lead to a global credit crunch which would affect the liquidity of governments, businesses and families, undermining economic growth and global recovery.

Dependence on bank credit is greater for European companies than that of North American companies and consequently they seem more exposed to such a contingency. Specifically in the Group, a process of this nature would require the implementation of a procedure for substituting financing sources, given that, as at the date of this Information Memorandum, the majority of its total gross debt corresponds to bank credit. The Group, which is using not only ECP instruments but also NEU CP instruments in its financial strategy, is exposed to risk as a result of a potential global credit crunch, which could cause economic or financial loss to the Group.

### *Credit risk*

The Group is exposed to credit risk as a result of a counterparty failing to comply with its contractual obligations, thereby causing economic or financial loss to the Group. The different risk policies include, for example, limitations on maximum timeframes on open positions and minimum creditworthiness of counterparties with which the Group contracts.

### ***Risks in Relation to the Notes***

#### *There is no active trading market for the Notes*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is, as at the date of this Information Memorandum, no active trading market. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. Further, if the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for Notes issued under the Programme to be admitted to the Official List and to trading on the Main Securities Market, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

#### *The Issue Price may be greater than the market value of the Notes*

The Issue Price specified in the relevant Final Terms may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

#### *Global Notes held in a clearing system*

Because the Global Notes are held by or on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") investors will have to rely on their respective procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. If the relevant Final Terms specify that the New Global Note form is not applicable, such Global Note will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg. If the relevant Final Terms specify that the New Global Note form is applicable, such Global Note will be deposited with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to the common depositary (in the case of Global Notes which are not in the New Global Note form) or, as the case may be, the common service provider (in the case of Global Notes in New Global Note form) for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under their relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to take enforcement action against the Issuer under the relevant Notes but will have to rely upon their rights under the Deed of Covenant dated 20 March 2013 (the "**Deed of Covenant**").

*The Issuer may redeem the Notes for tax reasons*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Potential investors should consider the reinvestment risks in light of other investments available at the time any Notes are so redeemed.

*Risks in Relation to Spanish Taxation*

Under Spanish Law 10/2014, of 26 June and Royal Decree 1065/2007, as amended, income payments in respect of the Notes will be made without withholding tax in Spain provided that the Issuer provides, pursuant to Spanish law, certain information at the relevant time in the Spanish language regarding the Notes to the Spanish tax authorities. The Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. The Issuer will withhold Spanish withholding tax from any payment in respect of any outstanding principal amount of the Notes (as applicable) as to which the required information has not been provided at the relevant time and will not gross up payments in respect of any such withholding tax. An amended and restated Issuing Paying Agency Agreement dated 29 April 2019 (the "**Issuing Paying Agency Agreement**"), provides that the Issuing and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. See "*Taxation — Taxation in the Kingdom of Spain*". None of the Issuer, the Dealer or the Issuing and Paying Agent assumes any responsibility therefor.

Royal Decree 1065/2007, as amended, provides that any payment of interest made under securities originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another Organisation for Economic Co-operation and Development ("**OECD**") country will be made with no withholding or deduction from Spanish taxes provided that the relevant information about the Notes is received by the Issuer. In the opinion of the Issuer, payments in respect of the Notes will be made without deduction or withholding of taxes in Spain provided that the relevant information about the Notes is submitted by the Issuing and Paying Agent to it, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities.

Notwithstanding the above, in the case of Notes held by Spanish resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax) and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19 per cent.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Corporate Income Tax), the Issuer will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

### *Risks relating to the Insolvency Law*

Law 22/2003 (*Ley Concursal*) dated 9 July 2003 ("**Law 22/2003**" or the "**Insolvency Law**"), provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency, (ii) provisions in a bilateral contract granting one party the right to terminate by reason only of the other's insolvency will not be enforceable, and (iii) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of an out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*) without insolvency proceedings having been previously opened (e.g., refinancing agreements which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and unless (ii) some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes).

The majorities legal regime envisaged for these purposes also hinges on (i) the type of the specific restructuring measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.) as well as (ii) on the part of claims to be written-down (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law).

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed. Additionally, liabilities from those creditors considered specially related persons for the purpose of Article 93.2 of the Insolvency Law would not be taken into account for the purposes of calculating the majorities required for the out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*).

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer.

*Regulation and reform of LIBOR, EURIBOR or other "benchmarks" could adversely affect any Notes linked to such "benchmarks".*

LIBOR, EURIBOR and other rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

The Benchmark Regulation was published in the official journal on 29 June 2016 and became applicable from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied from 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith.



As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark could require or result in an adjustment to the interest provisions of the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for floating rate Notes based on the rate which was last observed on the Relevant Screen Page. Any such consequences could have a material adverse effect on the value and return on any such Notes.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

#### *FATCA*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes

## **DOCUMENTS INCORPORATED BY REFERENCE**

The English language translations of the audited consolidated financial statements of the Issuer for the years ended 31 December 2018 and 2017, together with the English language translations of the auditor's reports thereon are deemed to be incorporated in to, and form part of, this Information Memorandum.

Copies of the documents specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent. The audited consolidated financial statements of the Issuer for the years ended 31 December 2018 and 2017 are available on the website of the Issuer (<http://www.grupoacs.com>).

## KEY FEATURES OF THE PROGRAMME

<b>Issuer:</b>	ACS, Actividades de Construcción y Servicios, S.A.
<b>Arranger:</b>	Banco Santander, S.A.
<b>Dealer:</b>	Banco Santander, S.A.
<b>Issuing and Paying Agent:</b>	The Bank of New York Mellon, London Branch
<b>Listing Agent:</b>	The Bank of New York Mellon SA/NV, Dublin Branch
<b>Programme Amount:</b>	The aggregate principal amount of Notes outstanding at any time will not exceed €750,000,000 or its equivalent in alternative currencies subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Dealer Agreement.
<b>Currencies:</b>	Notes may be issued in United States Dollars, Euro, Sterling, Japanese Yen and Swiss Francs, and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.
<b>Denominations:</b>	<p>Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations:</p> <ul style="list-style-type: none"><li>(k) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);</li><li>(l) for euro Notes, €100,000 (and integral multiples of €1,000 in excess thereof) except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher;</li><li>(m) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);</li><li>(n) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); or</li><li>(o) for Swiss Franc Notes, SFr 500,000,</li></ul> <p>or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the Dealer from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum</p>

denomination being at least equal to the Euro equivalent of €100,000 (except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.

**Maturity of the Notes:**

Not less than 1 day nor more than 364 days, subject to legal and regulatory requirements.

**Tax Redemption:**

Early redemption will only be permitted for tax reasons as described in the terms of the Notes.

**Redemption:**

The Notes may be redeemed at par or as otherwise specified in the Final Terms. The Notes may also be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if the Notes are interest bearing Notes) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.

**Issue Price:**

The issue price of each issue of Notes (if any) will be set out in the relevant Final Terms.

**Status of the Notes:**

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 92 of the Insolvency Law (as defined below) or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among themselves and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.

**Taxation:**

All payments under the Notes will be made without deduction or withholding for or on account of any present or future Spanish withholding taxes, except as stated in the Notes and as stated under the heading "*Taxation in the Kingdom of Spain*".

**Information requirements under Spanish Tax Law:**

Under Spanish Law 10/2014 and Royal Decree 1065/2007 as amended, the Issuer is required to provide certain information relating to the Notes to the Spanish tax authorities.

If the Issuing and Paying Agent fails to provide the Issuer with the required information described

under "*Taxation — Taxation in Spain*" in respect of the Notes, the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (as at the date of this Information Memorandum, at the rate of 19 per cent.).

None of the Issuer, the Arranger, the Dealers, Euroclear or Clearstream, Luxembourg assumes any responsibility therefor.

**Form of the Notes:**

The Notes will be in bearer form. Each issue of Notes will initially

be represented by one or more global notes (each a "**Global Note**", together the "**Global Notes**"). Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date (as specified in the Final Terms) with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes will be exchangeable for Definitive Notes in whole, but not in part, in the limited circumstances set out in the Global Notes (see "*Certain information in respect of the Notes – Forms of Notes*")

**Listing and Trading:**

Each issue of Notes may be admitted to the Official List and to trading on the regulated market of Euronext Dublin and/or listed, traded and/or quoted on any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the Dealers. No Notes may be issued on an unlisted basis.

**Delivery:**

The Notes will be available in London for delivery to Euroclear or Clearstream, Luxembourg or to any other recognised clearing system in which the Notes may from time to time be held.

**Selling Restrictions:**

The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, EEA Retail Investors, the United Kingdom, Japan, Spain, France and Ireland (see "*Subscription and Sale*").

**Governing Law:**

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual

obligations arising out of or in connection with the Notes, the terms and conditions of the Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.

**Use of Proceeds:**

The net proceeds of the issue of the Notes will be used for the general funding purposes of the Group (as defined herein).

## DESCRIPTION OF THE ISSUER

### *General Information*

ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**" or "**ACS**") was incorporated in Spain on 13 October 1942 under the name Obras y Construcciones Industriales, S.A. In 1993 it changed its name to OCP Construcciones, S.A. following a merger with Construcciones Padrós, S.A. In 1997, it adopted its current name following a merger with Ginés Navarro Construcciones, S.A. The Issuer is a publicly listed company (*sociedad anónima cotizada*) incorporated under the laws of the Kingdom of Spain and registered in the Mercantile Registry of Madrid in sheet M-30221.

The Issuer's registered office is located at Avenida de Pío XII, 102, 28036, Madrid, Spain, with telephone number +34 91 343 9200.

The Issuer operates under the commercial name ACS.

### **Group Structure**

The Issuer and its consolidated subsidiaries, its affiliates and joint ventures (collectively, the "**Group**") operates as a diversified group, both in terms of its geographic reach and the nature of its activities. As at 31 December 2018, the Group comprised the Issuer, its 1,092 subsidiaries and its 359 affiliates and joint ventures. For further information, see "*Organisational Structure*" below.

### **The Group's Business**

#### *General overview*

The Group is an engineering and contracting company that develops civil and industrial infrastructure projects and provides environmental and industrial services.

The Group is one of the largest Spanish corporate groups operating in its field in terms of market capitalisation (*source*: Bloomberg), with over 25 years' experience. At the date of this Information Memorandum, the Group is active across five continents and in over forty countries.

The Group operates through three business units:

- *Construction and Concessions: the Construction and Concession Business Unit focuses on the design, construction, implementation, development and, in some cases, operation of civil works and infrastructure projects;*
- *Services: the Services Business Unit focuses on providing facility management services for both public and private entities; and*
- *Industrial Services: the Industrial Services Business Unit focuses on developing, constructing, maintaining and operating energy supply and industrial infrastructure projects.*

#### **Construction and Concessions Business Unit**

##### *Construction Business Sub-Unit*

In 2018, the Group's Construction Business Sub-Unit comprised one of the largest construction groups by revenue in Europe (*source*: Engineering News Record, August 2018 (The 250 International Contractors)) and engaged in the development of infrastructure projects worldwide.

The principal Group companies operating within the Construction Business Sub-Unit are Dragados, S.A. ("**Dragados**"), Hochtief, CIMIC Group (Australia) ("**CIMIC**"), Turner Construction Company (America) ("**Turner**"), Flatiron Construction Corporation (America) ("**Flatiron**"), Dragados USA Inc. (America), Dragados Canada Inc. (America), Shiavone Construction Company (America) and Iridium Concesiones de Infraestructuras, S.A. (a global firm with its registered office in Spain) ("**Iridium**").

The Construction Business Sub-Unit is divided into the following areas of activity:

**Civil Works:** activities related to the development of infrastructure such as highways, railways, ports and airports

**Building:** Residential buildings, social facilities and installations

**Infrastructure Services:** for the railway, transport, communication and technology, energy, resource, water and defence sectors

**Projects related to the mining sector:** Mining service contracts and the required infrastructure for the mining activity

#### *Concessions Business Sub-Unit*

The Group is one of the leading concession operators and developers in the world (primarily involving the development of transport concessions from project inception) (*source:* Public Work Financing, November 2018). As at 31 December 2018, the Group had a portfolio of 91 concession and PPP projects.

The activities of the Concessions Business Sub-Unit are focused primarily on Iridium, which is the umbrella company for the active Group subsidiaries in this business sub-unit. Iridium has interests in companies operating under concession contracts, which mostly specialise in marketing concessions for transport infrastructure and public facilities.

In addition, the Concessions Business Sub-Unit conducts activities such as project identification, bid preparation, contracting with regard to awarded projects, financing and developing the respective concessionaire companies, as well as managing, operating and implementing concessions in Spain and around the world.

The types of projects in which the Concessions Business Sub-Unit is usually involved include:

- *Transport infrastructure: concessions over motorways, underground and overground railway lines;*
- *Public facilities: hospitals, prisons and other public facilities; and*
- *Other activities: bus and train stations and parking zones.*

#### *Services Business Unit*

The Services Business Unit provides facility management services.

Clece, S.A. ("**Clece**") is an entity that specialises in staff management and resource optimisation, and has an extensive portfolio of activities which can be divided into three main areas: Social Services, Integrated Services, and Environmental Services. Integrated Services activities include services required for the optimum operation of properties for public or private use (maintenance of installations, cleaning and auxiliary services). Environmental Services include services such as gardening, reforestation, environmental recovery, educational activities, environmental disclosure and development of natural heritage sites. Social Services include care services for social groups with a dependent status, airport services and innovative activities such as social restoration and energy efficiency.

#### *Industrial Services Business Unit*

The activity of the Industrial Services area is focused on the development, construction, maintenance and operation of energy, industrial and mobility infrastructures, as well as on the development of projects related to utility concessions.

The activities carried out by the ACS Group's Industrial Services include two primary business lines:

- *Industry Support Services: focus on industrial maintenance contracts and services, as well as support services for customers' operational activities that, in turn, includes three areas of activity;*



- *Networks: electricity, gas and water distribution network maintenance services and activities;*
- *Specialised Products: comprising the construction, installation and maintenance of high voltage networks, telecommunication systems, railway systems, electrical installations, mechanical assemblies and air-conditioning systems;*
- *Control systems: comprising traffic and transport control systems and the maintenance of public infrastructure facilities; and*
- *EPC projects and Renewable Energy Generation: comprising major turnkey projects (in connection with electrical energy, crude oil and natural gas, technical solutions for industry, and high-speed train systems) and renewable energy projects (by developing, constructing and operating wind farms and thermal solar power plants for industry).*

## Historical Financial Information in Respect of the Group and its Business Units

### Comparative information

The audited consolidated financial statements of the Issuer for the years ended 31 December 2017 and 2018 were presented in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU).

At 1 January 2018, the adoption of new standards IFRS 15 “Revenue from contracts with consumers” and IFRS 9 “Financial instruments” has reduced equity attributed to ACS by €1,595 million.

### Historical Financial Information in Respect of the Group

The following table sets out certain key performance indicators of the Group as at and for the years ending 31 December 2017 and 2018:

	<u>As at 31 December</u>		<b>Variation 2017 vs. 2018</b>
	<u>2017</u>	<u>2018</u>	
	<i>(in millions of euro except earnings per share and percentages)</i>		
Revenue (audited) .....	34,898	36,659	+5.05%
Backlog <sup>1*</sup> .....	67,082	72,223	+7.67%
Months (Backlog/Revenue) x 12 .....	23	24	
EBITDA <sup>2*</sup> .....	2,168	2,252	+3.87%
EBITDA Margin <sup>3*</sup> .....	6.2%	6.1%	
EBIT <sup>4*</sup> .....	1,515	1,605	+5.94%
EBIT Margin <sup>5*</sup> .....	4.3%	4.4%	
Profit attributable to the parent (audited) .....	802	915	+14.09%
EPS <sup>6*</sup> (audited) .....	2.57	2.94	
Cash flow from Operating Activities (audited) .....	1,863	2,051	+10.09%
Net Cash flows from Investment Activities and Financials .....	(309)	(1,433)	

<sup>1</sup> Backlog represents the orders and contracts which have already been agreed, but not yet completed.

<sup>2</sup> The EBITDA for any relevant period is the sum of Revenue, Changes in inventories of finished goods and work in progress, Capitalised expenses of in-house work on assets, Procurements, Other operating income, Staff costs, Other operating expenses and losses on impairment and trade-related provisions.

<sup>3</sup> The EBITDA Margin is the division between EBITDA and Revenues.

<sup>4</sup> EBIT for any relevant period is the sum of Revenue, Changes in inventories of finished goods and work in progress, Capitalised expenses of in-house work on assets, Procurements, Other operating income, Staff costs, Other operating expenses and Depreciation and amortisation charge.

<sup>5</sup> The EBIT Margin is the division between EBIT and Revenues.

<sup>6</sup> Earnings per share (basic and diluted).

Revenues in the period accounted for €36,659 million, an increase of 5.0%. All activities showed a good performance despite the significant effect of Euro’s revaluation against the main foreign currencies. Adjusted by currency effects, sales grew by 9.7%.

Backlog accounted for €72,223 million, growing by 8.6% adjusted by exchange rate impact. This growth is mainly underpinned by strong growth rates in the United States and Canada.

The Group's EBITDA accounted for €2,252 million. When including proportional EBITDA from joint ventures, total EBITDA accounted for €2,437 million, growing by 6.9%. EBITDA margin slightly increased 12 basis points, ending at 6.6%. When adjusted to exchange rate variation, EBITDA grew by 13.0%.

EBIT, including proportional EBIT from joint ventures, reached €1,791 million and grew by 10.1%, 16.6% not considering currency rate impact. EBIT margin stood at 4.9%, rising by 23 basis points.

The Group's attributable Net Profit reached €915 million which represents a 14.1% increase. All activities showed solid growth rates, despite the impact derived from currency effects, both in Construction and Industrial Services. Net Profit included €175 million from Abertis' contribution since June.

The Group maintained a €3 million net cash position, improving in €156 million compared to last year's same period balance, backed by a strong operating cash generation and after investing more than €1,500 million during the year. Excluding non-recourse debt (project finance) net cash position reached €120 million.

### Operating results

The following table sets out certain operating results of the Group as at and for the years ending 31 December 2017 and 2018:

	Year ended 31 December		Variation 2017 vs. 2018
	2017	2018	
	<i>(in millions of euro except percentages)</i>		
EBITDA.....	2,168	2,252	+3.87%
EBITDA Margin <sup>1</sup> .....	6.2%	6.1%	
Depreciation and amortisation charge (audited) .....	(611)	(573)	-6.22%
<i>Construction</i> .....	(547)	(508)	-7.13%
<i>Industrial Services</i> .....	(40)	(41)	+2.50%
<i>Services</i> .....	(23)	(23)	4.17%
<i>Corporation</i> .....	-	(1)	n/a
Losses on impairment and trade-related provision variation (audited) ...	(42)	(73)	+73.81%
EBIT* .....	1,515	1,605	+5.94%
EBIT Margin <sup>2*</sup> .....	4.3%	4.4%	

<sup>1</sup> The EBITDA Margin is the division between EBITDA and Revenues.

<sup>2</sup> The EBIT Margin is the division between EBIT and Revenues.

### Revenues per geographical zone

The following table contains information regarding revenues per geographical zone as at and for the years ended 31 December 2017 and 2018. Sales are allocated to a specific geographical zone based on the criteria of the country in which works and services are delivered, regardless of the company, which performs such work or provides such services (revenues are allocated depending on the country of residence of the customer):

	Sales per Country				
	2017	%	2018	%	Variation 2017 vs. 2018
	<i>(figures in millions of euro except percentages)</i>				
US	13,331	38.20 %	14,200	38.73%	+6.5%
Australia	7,027	20.13 %	7,257	19.80%	+3.3%
Spain	4,427	12.69 %	5,213	14.22%	+17.8%
Canada	1,206	3.46 %	1,475	4.02%	+22.3%
Germany	923	2.64 %	956	2.61%	+3.6%

Mexico	946	2.71 %	978	2.67%	+3.4%
Rest of the world	<u>7,038</u>	20.17 %	<u>6,579</u>	17.95%	-6.5%
<b>TOTAL</b>	<b><u>34,898</u></b>		<b><u>36,659</u></b>		<b><u>+5.0%</u></b>

\* Please note that the transactions performed between the different business units have been eliminated

Sales breakdown by geographical areas demonstrated the diversification of the Group's revenue sources, where North America represented 45.4% of total sales, Asia Pacific 27.5%, Europe 20.9%, with Spain rising up to 14.2%, and the remaining regions 6.2%.

It is worth noting the good evolution of sales in the main countries where the Group operates with a solid growth of the North American markets, despite the negative impact of the exchange rate. Not considering this effect, growth rate stood at 10.3% in the United States, with sales worth €14,200 million and 26.6% in Canada, where sales reached €1,475 million.

Sales in Australia, have also been affected by currency depreciation, accounted for €7,257 million, with an adjusted growth due to the exchange rate variation of 10.4%.

The Spanish market showed a recovery fostered by renewable energy projects and building. Sales reached €5,213 million, growing by 17.8%.

	Year ended 31 December				Variation 2017 vs. 2018
	2017	%	2018	%	
	<i>(figures in millions of euro except percentages)*</i>				
U.S.	20,024	29.85%	24,082	33.34%	20.27%
Australia	17,781	26.51%	17,973	24.88%	1.08%
Spain	6,818	10.16%	7,704	10.67%	13.00%
Canada	3,376	5.03%	4,425	6.13%	31.07%
Germany	2,744	4.09%	2,537	3.51%	-7.54%
Mexico	1,886	2.81%	1,441	2.00%	-23.59%
Rest of the world	14,452	21.55%	14,061	19.47%	-2.71%
Rest of Europe	2,651	18.34%	2,922	20.78%	10.22%
South America	4,324	29.92%	5,445	38.72%	25.93%
Asia Pacific	6,897	47.72%	5,360	38.12%	-22.29%
Africa	580	4.01%	334	2.38%	-42.41%
<b>TOTAL</b>	<b><u>67,082</u></b>		<b><u>72,223</u></b>		<b><u>7.67%</u></b>

The Group's total backlog stood at €72,223 million, increase of 7.7% when compared to last year's figures, and when adjusted to currency effects, backlog grew by 8.6%.

The Group's backlog in the United States raised up to €24,082 million, growing by 20.3% with strong awards both in building and civil engineering projects. Canada also closed the year with a €4,425 million backlog, rising by 31.1% with thanks to major awards such as the Gordie Howe transnational bridge or Montreal's subway.

As for Spain, its backlog closed at a value of €7,704 million, with a growth of 13.0% supported by renewable energy projects and the good evolution of Clece's recruitment.

Australia's backlog was affected by the exchange rate impact and the reorganisation of non-strategic businesses. Not considering the currency negative impact, backlog in this area grew by 6.6%.

## Cash flows

The following table sets out the net cash flows of the Group for the years ending 31 December 2017 and 2018:

Euro Millions	2017			2018			Variation	
	TOTAL	HOT*	ACS ex HOT**	TOTAL	HOT*	ACS ex HOT**	TOTAL	ACS ex HOT**
	<i>(in millions of euro except percentages)</i>							
Cash Flow from Operating Activities (GROSS).....	1,908	1,135	773	2,129	1,240	889	+11.6%	+15.0%
Cash Flow from Operating Activities before Working Capital..	1,672	1,158	514	1,959	1,202	757	+17.2%	+47.3%
Operating working capital variation	192	213	(21)	92	173	(81)		
Net CAPEX.....	(372)	(252)	(120)	(497)	(344)	(153)		
Net Operating Cash Flow from continuing activities.....	1,492	1,119	373	1,554	1,031	523	+4.2%	+40.2%
Net Operating Cash Flow from discontinued operations (*).....	63	(43)	106	(936)	(1,467)	531		
Financial Investments/Disposals.....	(21)	(17)	(4)	13	1	12		
Other Financial Sources.....	1,534	1,059	475	631	(435)	1,066	-58.9%	-124.4%
Free Cash Flow.....	(297)	(141)	(156)	(316)	(162)	(154)		
Dividends paid.....	-	(120)	120	-	(156)	156		
Intra group Dividends.....	-	-	-	-	908	(908)		
Treasury stock acquisition.....	(195)	-	(195)	(365)	-	(365)		
<b>Total Cash Flow generated / (Consumed).....</b>	<b>1,042</b>	<b>798</b>	<b>244</b>	<b>(50)</b>	<b>155</b>	<b>(205)</b>	<b>-104.8%</b>	<b>-184.0%</b>

\* Hochtief.

\*\* Results of the Group excluding Hochtief.

Gross cash flows from operating activities before working capital amounted to €1,959 million, improving by 17.2% versus last year due to the positive performance across operating activities.

Operating working capital had a positive impact of €92 million cash inflow in 2018.

CAPEX rose up to €497 million, 33.8% more than last year, in line with the growth of the most intensive capital activities.

Therefore, net cash flows from operating activities reached €1,554 million, 4.1% higher than year.

Dividends paid worth €154 million mainly corresponded to the Group scrip dividends paid in cash in February and July 2018.

Dividend payment to Hochtief and CIMIC minorities, worth €162 million, are equally included.

Likewise, €365 million were devoted to the acquisition of treasury stock for 2018 and 2019 scrip dividends' payment.

Therefore, the Group devoted €681 million to its shareholders and minorities' payment.

## Investments and Disposals

The Group's total and net investments for the twelve months ended 31 December 2018 are summarised in the following table:

Grupo ACS

(in millions of euro)

	Operating Investments	Operating divestments	NET CAPEX	Project Financial Investments	/ Financial Divestments	Net Project / Financial investments	Total Investments	Net Investments
Construction	481	(94)	387	1,652	(120)	1,532		1,919
Dragados	70	(27)	43	3	(3)	-		43
Hochtief	411	(67)	344	1,555	(87)	1,468		1,812
Iridium	-	-	-	94	(30)	64		64
Services	35	(3)	32	13	-	13		45
Industrial Services	90	(12)	78	442	(386)	56		134
Corporation & others	-	-	-	2,090	(2,650)	(560)		(560)
<b>TOTAL</b>	<b>606</b>	<b>(109)</b>	<b>497</b>	<b>4,197</b>	<b>(3,156)</b>	<b>1,041</b>		<b>1,538</b>

- The Group total net investments in 2018 grew up to €1,538 million, of which €1,041 million corresponded to financial investments and divestments' net balance, inclusive of Abertis' transaction is included, as well as concession projects.
- Net operating CAPEX amounted to €497 million and mainly corresponded to the acquisition of machinery for the Group's several projects in Mining, Civil Works, and Industrial Facilities.
- Financial investments are detailed as follows:
  - The Construction area includes 20% acquisition of Abertis on behalf of Hochtief, worth €1,407 million, and €125 million related to net investment in concession projects in Chile, Canada, United States, Germany, Australia and United Kingdom.
  - Industrial Services invested €442 million in several renewable energy projects in Spain, United Kingdom, South Africa, Mexico, and Peru, as well as transmission lines in Brazil. Divestments reached €386 million, mainly due to the sale of the Group's stake in SaetaYield (€241 million) and different wind plants in Latin America.
  - Clece invested €13 million in the acquisition of several small services companies in Spain and United Kingdom.
  - Corporation invested €2,088 million in the acquisition of 30% stake in Abertis, while divestments related mainly to the sale of a minority stake in Hochtief to Atlantia, worth €2,411 million and the partial sale of MásMóvil worth €407 million (net of expenses).
  - Additionally, approximately €100 million have been collected due to Urbaser's sale deferred payment accounted in 2016.

## Net debt

The following table sets out the Group's net debt by business unit as at 31 December 2018:

	Construction	Services	Industrial Services	Corporation and adjustments	ACS Group
	(figures in millions of euro)				
<b>Bank borrowings, debt instruments, and other marketing securities .....</b>	<b>3,409</b>	<b>318</b>	<b>1,266</b>	<b>3,115</b>	<b>8,108</b>
Non-current instruments.....	2,458	221	891	2,446	6,016
Current instruments.....	951	97	375	669	2,092
<b>Other financial liabilities .....</b>	<b>230</b>	<b>1</b>	<b>64</b>	<b>(93)</b>	<b>202</b>
Non-current instruments.....	116	-	27	(8)	135

	<u>Construction</u>	<u>Services</u>	<u>Industrial Services</u>	<u>Corporation and adjustments</u>	<u>ACS Group</u>
	<i>(figures in millions of euro)</i>				
Current instruments.....	114	1	37	(85)	67
<b>Companies receivables, current financial assets, cash and cash equivalent .....</b>	<b>(6,033)</b>	<b>(244)</b>	<b>(2,075)</b>	<b>(78)</b>	<b>(8,430)</b>
Group Companies' long-term receivables .....	(7)	-	-	7	-
Other current financial assets .....	(1,005)	(190)	(184)	(85)	(1,464)
Cash and cash equivalents .....	(5,021)	(54)	(1,891)	-	(6,966)
<b>Project finance with limited recourse .</b>	<b>108</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>117</b>
Non-current instruments.....	93	-	8	-	101
Current instruments.....	15	-	1	-	16
<b>TOTAL NET DEBT 2018.....</b>	<b>(2,286)</b>	<b>75</b>	<b>(736)</b>	<b>2,944</b>	<b>(3)</b>

The Group maintained a Net Cash position of €3 million, improving by €156 million compared to last year's same period.

Not considering non-recourse debt (project financing), the Group's net cash position accounted for €120 million.

### *Equity*

The following table sets out the Group's equity as at 31 December 2017 and 2018:

	<u>Year ended 31 December</u>		<b>Variation 2017 vs. 2018</b>
	<u>2017</u>	<u>2018</u>	
	<i>(in millions of euro except for percentages)</i>		
Shareholders' Equity .....	3,959	4,681	+18.24%
Adjustments for changes in value .....	(216)	(292)	+35.19%
Non-controlling interests .....	1,421	1,667	+17.31%
<b>Total Equity .....</b>	<b>5,164</b>	<b>6,056</b>	<b>+17.27%</b>

The Group Net worth accounted for €6,056 million by 2018 year-end, showing an increase of 17.3% since December 2017 due to the sale of a part of Hochtief and the profit generated along the year, which widely compensated the impact from the implementation of new accounting standards (IFRS 9 and IFRS 15) at the beginning of the period.

### *Significant financial events in 2018*

#### *Dividends*

During 2018 dividends worth €1.385 per share have been paid through the script dividend system, 15.8% compared to 2017, as follows:

- Interim dividend worth €0.499 per share paid in February 2018 after being adopted by the Board of Directors on 19 December 2017.
- Complementary Dividend worth €0.936 per share signed off at Shareholders' Annual General Meeting held on 8 May 2018 and paid by July 2018.

Likewise, in February 2019 the interim dividend was made effective at an equivalent amount of €0.45.

### *Mergers, acquisitions and transmission of shares*

On 6 February 2018, the Group reached an agreement for the sale of its stake in Saeta Yield S.A, through its subsidiary Cobra, with an irrevocable acceptance of the takeover bid launched by a company controlled by Brookfield Asset Management. The transaction was completed by June 2018.

On 18 October 2017, Hochtief A.G. launched a competitive offer on Abertis to the initial one launched by Atlantia Spa in May of that same year. The price offered was €18.76 per share, both in cash and in Hochtief's shares.

Subsequently, on 23 March 2018 ACS, Hochtief, and Atlantia signed an agreement to jointly invest in a holding company that would then acquire Abertis. Hochtief would commit to modify its initial offer so that the entire offer would be in cash at a given price of €18.36 per share, once adjusted by the dividend paid by Abertis in 2018.

Likewise, the agreement considered Atlantia acquiring a maximum stake of 24.1% in Hochtief at a price of €143.04 per share and a simultaneous 10% capital increase in Hochtief at the same price, so that the Group would maintain its stake in a minimum of 50%.

The takeover bid ended on 8 May 2018 and was settled by 15 May 2018 with Abertis' 78.7% capital acquisition. After 25 July 2018, Abertis' Extraordinary Shareholders Meeting approved the company's exclusion from the Stock Exchange, coming into effect on 6 August.

On 29 October 2018 the closing of the operation was accomplished through a SPV (Abertis Holdco S.A.) with an equity contribution of €6,909 million, where Atlantia holds a 50% stake plus one share, ACS has a 30% stake, and Hochtief flaunts a 20% stake minus one share.

Likewise, a second company was originally created (Abertis Participaciones S.A.U.), where Abertis Holdco held a 100% stake and to where Hochtief has transferred its whole stake from Abertis' share capital (98.7%), worth €16,520 million. To this effect, the SPV Abertis Holdco raised bank debt amounting to €9,824 million. Nonetheless, the final structure of the operation considers the merger of Abertis Participaciones with Abertis Infraestructuras and the transfer of Abertis Holdco debt to the resulting company.

The agreement in itself included Atlantia acquiring a significant stake in Hochtief. Therefore, on 29 October 2018, ACS sold Atlantia a total sum of 16,852,995 shares in Hochtief at a given price of €143.04 per share, receiving in exchange €2,410 million.

Simultaneously, the Group subscribed a capital increase in Hochtief worth 6,346,707 shares at the same price, €143.04 per share, meaning a full disbursement of €908 million. The Group's current stake in Hochtief stands at 50.4%, while Atlantia's reaches 23.9%.

After the acquisition of shares subsequent to the takeover bid and together with subsequent purchases until 31 December 2018, the stake in Abertis' capital at period end stood at 98.7%.

On 8 November 2018. ACS sold MásMóvil's debt, convertible into 4,800,000 shares, worth €406.5 million, net of expenses, plus 700,000 company shares. The transaction implied a capital gain for ACS of €5.5 million and approximately €278 million since the integration of Yoigo in MásMovil in 2016.

### *Loans, credits and other financial operations*

On 4 April 2018, the rating agency S&P assigned long-term corporate credit rating BBB and short-term credit rating A-2 to ACS Servicios, Comunicaciones y Energía S.L. (subsidiary wholly owned by ACS Actividades de Construcción y Servicios S.A.).

On 12 April 2018, ACS Servicios, Comunicaciones y Energía, S.L., subsidiary of the Group, issued Green Bonds for a total amount of €750 million, for a term of eight years and with 1.875% annual interest, in order to refinance a large part of its financial debt. Previously, those green bonds had also been assigned BBB / A-2 rating.

## *Corporate Governance*

On 25 July 2018, the Group's Board of Directors, subsequent to a favourable report from the Remuneration Committee, agreed to set a stock option plan for their executives (Stock Option Plan 2018) to a maximum of 12,586,580 shares at a given price of €37.170 per share (modifiable in case of dilution). Options will be exercisable by halves and in equal proportions, cumulative to the beneficiary's choice, and during the fourth and fifth year following 1 July 2018 inclusive. For the shares to be exercisable by the beneficiaries, two different criteria have been set (a financial and a non-financial one) with various weightings, detailed in the relevant fact.

On 13 November 2018, ACS Board of Directors agreed on Counsel Mr. Mariano Hernández Herreros no longer belonging to the Remuneration Committee and instead integrating himself as member of the Appointment Committee.

## *Recent Developments*

The payment of the interim €0.450 per share dividend was made during February. 26.04% of free allocation rights have opted for the cash dividend, which determined the acquisition by ACS of 81,946,314 rights for a total gross amount of €36,875,841.

On 11 February 2019, Cobra, a subsidiary wholly owned by the Group, purchased 49% of Bow Power SL company from Global Infrastructure Partners (GIP), for a total sum of €96.8 million, becoming the sole shareholder of the company.

On 12 April 2019, it was released that the Group was evaluating the possibility of setting up a subsidiary for renewable energy assets. This new company ("**Zero-E**") that would group a set of photovoltaic, wind, solar thermal and other sustainable assets in operation, development and promotion managed by its subsidiary Cobra, could be listed. This action aims at promoting these energy project developments in competitive price conditions, contributing to emissions reduction in line with sustainable growth targets reflected in 2030 Global Agenda. At that moment no valuation or valuation range had been established on the aforementioned company and that neither the corporate bodies of ACS nor those of Cobra had adopted any formal decision in this regard, given that the deal was in preliminary phase of study and analysis.

In this regard, an "Investor Day" of the Group's industrial services area was held on 24 April, during which it was announced the intention to develop two new projects related to the energy sector. On the one hand, the development of Zero-E, a company that will encompass an international and diversified project portfolio. Secondly, the creation and development of an energy trading company called ELEIA.

## *Organisational Structure*

The Issuer is the parent company of the entities of which the Group is comprised, functioning as a holding company for each of the Group's subsidiaries. As at 31 December 2018, the Group comprised 1,452 companies, including the Issuer, 1,092 subsidiary companies and 359 associate companies and joint ventures.

The organisational structure of the Group with its holding companies and their significant subsidiaries as at 31 December 2018 is summarised in the following diagram.





### Share Capital and Major Shareholders

As at the date of this Information Memorandum, the Issuer's share capital is made up of 314,664,594 ordinary shares of €0.50 nominal value each, represented by book entries and forming a single class. The Issuer's share capital is fully subscribed and paid-up. The Issuer's shares are admitted to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the "**Spanish Stock Exchanges**") and trade through the automated quotation system (*Sistema de Interconexión Bursátil*).

As at 31 December 2018, the following shareholders (excluding members of the Board of Directors) each held, directly or indirectly, 2.5 per cent. or more of the ordinary shares with voting rights of the Issuer:

Name or company name of the shareholder	% of direct voting rights	% of indirect voting rights	% of total voting rights
Mr. Alberto Cortina Alcocer .....	0	2.59	2.59
Mr. Alberto Alcocer Torra .....	0	2.54	2.54
Blackrock .....	0	3.01	3.01

<u>Name or company name of the shareholder</u>	<u>% of direct voting rights</u>	<u>% of indirect voting rights</u>	<u>% of total voting rights</u>
Norges Bank	2.74	0	2.74

<u>Name or company name of the indirect shareholder</u>	<u>Held through: Name or company name of the direct shareholder</u>	<u>% of voting rights</u>
Mr. Alberto Cortina Alcocer .....	Percacer, S.L.	1.40
Mr. Alberto Cortina Alcocer .....	Corporación Financiera Alcor, S.L.	0.15
Mr. Alberto Cortina Alcocer .....	Imvernelin Patrimonio, S.L.	1.04
Mr. Alberto Alcocer Torra .....	Comercio Y Finanzas, S.L.	1.35
Mr. Alberto Alcocer Torra .....	Corporación Financiera Alcor, S.L.	0.15
Mr. Alberto Alcocer Torra .....	Imvernelin Patrimonio, S.L.	1.04
Blackrock .....	Blackrock, Inc	3.01

Based on the information available to the Issuer, there is no individual or corporation that, directly or indirectly, through one or more intermediaries, exercises or may exercise any type of control over the Issuer. In addition, various independent directors are appointed to the Board of Directors and the Issuer has processes in place to monitor the purchase of its shares, including a policy in relation to maintaining treasury holdings, which complies with recommendations approved by the CNMV and which is reported on to the Audit Committee at regular intervals by the responsible person.

The table below sets out the number of ordinary shares with voting rights held by members of the Board of Directors of the Issuer as at 31 December 2018:

<u>Name or company name of the Board Member</u>	<u>% of direct voting rights</u>	<u>% of indirect voting rights</u>	<u>% of total voting rights</u>
Agustín Batuecas Torrego .....	0.35	0.24	0.59%
Antonio Botella García.....	0	0	0.00%
Manuel Delgado Solís .....	0	0	0.00%
José Luis Del Valle Pérez.....	0.09	0	0.09%
Javier Echenique Landiribar.....	0.01	0	0.01%
Carmen Fernández Rozado .....	0	0	0.00%
Marcelino Fernández Verdes.....	0.019	0.26	0.27%
Antonio García Ferrer .....	0.03	0	0.03%
Emilio García Gallego.....	0	0	0.00%
Joan David Grima Terre .....	0	0	0.00%
Mariano Hernández Herreros .....	0	0	0.00%
José María Loizaga Viguri .....	0.06	0	0.06%
Pedro José López Jiménez.....	0	0.18	0.18%
Catalina Miñarro Brugarolas .....	0	0	0.00%
Florentino Pérez Rodríguez.....	0	12.52	12.52%
María Soledad Pérez Rodríguez .....	0	0	0.00%
Miguel Roca Junyent.....	0	0	0.00%
Jose Eladio Seco Dominguez .....	0	0	0.00%

The following table describes the indirect shareholdings by members of the Board of Directors of the Issuer as at 31 December 2018:

<u>Name or company name of the indirect shareholder</u>	<u>Held through: Name or company name of the direct shareholder</u>	<u>% of voting rights</u>
Agustín Batuecas Torrego .....	Carcalodon, S.L.	0.35
Marcelino Fernández Verdes.....	Gesguiver, S.AL.	0.26
Pedro José López Jiménez.....	Fapin Mobi, S.L.	0.18
Florentino Pérez Rodríguez.....	Inversiones Vesan, S.A.	0.59

**Percentage of total voting rights held by the Board of Directors: 13.75 per cent.**

In addition, as at 31 December 2018, the following members of the Board of Directors had notified the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores* or "CNMV") of stock options:

<b>Name of Director</b>	<b>Number of Stock Options</b>
<b>Florentino Pérez</b>	<b>500.000</b>
<b>Marcelino Fernández Verdes</b>	<b>500.000</b>
<b>José Luis del Valle Pérez</b>	<b>275.000</b>

As at 31 December 2018, treasury shares held by the Issuer amounted to 314,664,594 (2.05% of total shares), with a face value of €0.50 each. This figure has subsequently been reduced by the sale of treasury shares detailed under "*Recent Developments*" above.

## **Management**

### *Board of Directors*

As at the date of this Information Memorandum, the Issuer has 18 Directors, the following table describes the composition of the Board of Directors of the Issuer as at the date of this Information Memorandum:

<b>Name or company name of the Board Member</b>	<b>Representative</b>	<b>Class of Board Member</b>	<b>Position on the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Appointment procedure</b>
Marcelino Fernández Verdes		Executive	CEO	04/05/2017	04/05/2017	General Shareholders' Meeting Resolution
Carmen Fernández Rozado		Independent	Board Member	28/02/2017	28/01/2017	Board of Directors' Meeting Resolution
José Eladio Seco Domínguez		Independent	Board Member	22/12/2016	22/12/2016	Board of Directors' Meeting Resolution
Mariano Hernández Herreros		Proprietary	Board Member	05/05/2016	05/05/2016	General Shareholders' Meeting Resolution
Antonio Botella García		Independent	Board Member	28/04/2015	28/04/2015	General Shareholders' Meeting Resolution
Catalina Miñarro Brugarolas		Independent	Board Member	28/04/2015	28/04/2015	General Shareholders' Meeting Resolution
Emilio García Gallego		Independent	Board Member	13/11/2014	28/04/2015	General Shareholders' Meeting Resolution
María Soledad Pérez Rodríguez		Proprietary	Board Member	13/11/2014	28/04/2015	General Shareholders' Meeting Resolution
Manuel Delgado Solís		Proprietary	Board Member	20/05/2004	05/05/2016	General Shareholders' Meeting Resolution
Javier Echenique Landiribar		Proprietary	Board Member	20/05/2004	05/05/2016	General Shareholders' Meeting Resolution
Antonio García Ferrer		Executive	Executive Deputy Chairman	14/10/2003	28/04/2015	General Shareholders' Meeting Resolution
Joan David Grima Terre		Other External	Board Member	14/10/2003	28/04/2015	General Shareholders' Meeting Resolution
Miguel Roca Junyent		Other External	Board Member	14/10/2003	28/04/2015	General Shareholders' Meeting Resolution
Agustín Batuecas Torrego		Executive	Board Member	29/06/1999	28/04/2015	General Shareholders' Meeting Resolution

<u>Name or company name of the Board Member</u>	<u>Representative</u>	<u>Class of Board Member</u>	<u>Position on the Board</u>	<u>Date of first appointment</u>	<u>Date of last appointment</u>	<u>Appointment procedure</u>
José Luis Del Valle Pérez		Executive	Board Member Secretary	28/06/1989	28/04/2015	General Shareholders' Meeting Resolution
José María Loizaga Viguri		Other External	Deputy Chairman	28/06/1989	28/04/2015	General Shareholders' Meeting Resolution
Pedro José López Jiménez		Other External	Board Member	28/06/1989	28/04/2015	General Shareholders' Meeting Resolution
Florentino Pérez Rodríguez		Executive	Executive Chairman	28/06/1989	28/04/2015	General Shareholders' Meeting Resolution

The business address of each of the Members of the Board of Directors of the Issuer is Avenida Pío XII, 102, 28036, Madrid, Spain.

### *Senior Management*

The Board has delegated some of its powers to the following committees:

#### **Executive Committee**

The Executive Committee is made up of the Chairman of the Board of Directors, one or both Vice-Chairmen, Board Members appointed by the Board of Directors for such purpose and the Secretary to the Board of Directors (who is entitled to participate in, but not to vote at, meetings of the Executive Committee).

The Executive Committee meets as often as it is convened by its Chairman, on his or her own initiative or at the request of at least two of its members.

The Executive Committee exercises the same powers as those of the Board of Directors, with the exception of those powers that may not be delegated to the Executive Committee by law or under the Issuer's by-laws.

The following table describes the composition of the Executive Committee at the date of this Information Memorandum:

<u>Name</u>	<u>Position</u>	<u>Type</u>
Florentino Pérez Rodríguez	Chairman and CEO	Executive
Antonio García Ferrer	Deputy Chairman	Executive
Marcelino Fernández Verdes	CEO	Executive
Javier Echenique Landiribar	Member	Proprietary
José María Loizaga Viguri	Member	Other External
Pedro José López Jiménez	Deputy Chairman of the Executive Committee	Other External

#### **Management Committee**

The Management Committee is a non-statutory internal body, formed by members of the main companies of the Group and their affiliates, with the purpose of giving such executives the opportunity to meet to discuss professional experiences and to find solutions to management issues of the Group generally.

The following table describes the composition of the Management Committee (*Comité de Dirección*) of the Issuer as at the date of this Information Memorandum:

<u>Management Committee Member</u>	<u>Position in the Issuer</u>
Florentino Pérez Rodríguez	Chairman and CEO
Antonio García Ferrer	Executive Vice Chairman
Marcelino Fernández Verdes	CEO
José Luis del Valle Pérez	Secretary General

<b>Management Committee Member</b>	<b>Position in the Issuer</b>
Ángel García Altozano Eugenio Llorente Gómez	Corporate General Manager CEO of the Industrial Services Business Unit

### **Audit Committee**

The Audit Committee is comprised of a minimum of three and a maximum of five members appointed by the Issuer's Board of Directors from amongst its members.

The following table describes the composition of the Audit Committee of the Issuer as at the date of this Information Memorandum:

<b>Name</b>	<b>Position</b>	<b>Class</b>
Carmen Fernández Rozado	Chairman	Independent
Emilio García Gallego	Board Member	Independent
Catalina Miñarro Brugarolas	Board Member	Independent
Jose Maria Loizaga Viguri	Board Member	Other External
María Soledad Pérez Rodríguez	Board Member	Proprietary

According to the new Board of Directors' Regulations the responsibilities of the Audit Committee include:

In relation to the supervision of the financial information:

- (k) Inform the General Meeting of Shareholders on the matters raised in relation to those issues that fall within the remit of the Committee and, in particular, on the outcome of the audit, explaining how it has contributed to the integrity of the financial information and the function that the Committee has performed in that process.
- (l) Supervise the process of the preparation and presentation of the mandatory financial information on the Company and, if applicable, the Group, revising compliance with regulatory requirements, due delimitation of the consolidation perimeter and proper application of accounting criteria and, in particular, ascertaining, understanding and overseeing the effectiveness of the system of internal monitoring of financial information (SCIIF). The Committee may present recommendations or proposals to the Board of Directors, designed to safeguard the integrity of the financial information.
- (m) Inform the Board of Directors in advance of any financial information that the Company should publish on a periodic basis.
- (n) Ensure that the Board of Directors presents the accounts to the General Meeting of Shareholders without any restrictions or qualifications in the audit report and that, in exceptional circumstances in which there are qualifications, that both the Chairperson of the Committee and the auditors clearly explain to the shareholders the content and scope of such restrictions or qualifications.

In relation to supervision of internal monitoring and the internal audit:

- (e) Supervise the efficiency of the Company's internal monitoring and the internal audit, as well as discussing significant weaknesses in the internal monitoring system detected during the audit with the auditor, all without compromising the auditor's independence, reaching conclusions on the level of trust and reliability of the system. To that end, and if applicable, it may present recommendations or proposals to the Board of Directors with the corresponding term for following them up.
- (f) Oversee the independence of the unit that assumes the internal audit function; propose the selection, appointment, re-election and removal of the person responsible for the internal audit service; propose the budget for this service; approve the direction and work plans, ensuring that the activity focuses primarily on the relevant risks of the Company; receive periodic information on its activities; verify that senior management takes into account the conclusions and recommendations of its reports; and assess the functioning of the internal audit until and the performance of the corresponding functions by the person responsible for it annually.

- (g) Establish and supervise a mechanism that allows employees to report any potentially relevant irregularities confidentially, particularly those of a financial or accounting nature, noticed within the company, receiving periodic information on its functioning and proposing the appropriate actions for improvement and reduction of the risk of irregularities in the future.

In relation to the management supervision and risk monitoring function:

- (h) Supervise the effectiveness of the risk management systems.
- (i) Re-evaluate, at least annually, the list of most significant risks, financial and non-financial, and assess the level of tolerance, proposing any adjustments to the Board of Directors, as the case may be. To that end, the Committee will hold a meeting with the heads of the business units, at least annually, in which they explain the business trends and associated risks.
- (j) Directly supervise compliance with the internal monitoring and risk management functions by a unit or department of the Company.

In relation to the external auditor:

- (k) Raise proposals for the selection, appointment, re-election and replacement of the external auditor to the Board of Directors, assuming responsibility for the selection process, as well as for the hiring conditions and to that end:
  - (i) define the auditor selection procedure; and
  - (ii) issue a reasoned proposal containing at least two alternatives for the selection of the auditor, except in the case of re-election.
- (l) Regularly receive information on the audit plan, its execution and any other matters related to the process of auditing the accounts from the external auditor, in particular any discrepancies that may arise between the auditor and the Company management, in addition to preserving its independence in the exercise of its duties.
- (m) Establish the corresponding relations with the external auditor to receive information on those issues that may compromise its independence, for examination by the Commission, and any others related to the audit development process, and when appropriate, the authorisation of services other than those prohibited, according to the terms of the applicable regulations, as well as any other communications envisaged in the audit legislation and regulations.

In any event, it will receive from the external auditors each year the declaration of their independence with regard to the entity or any directly or indirectly related entities, as well as detailed and individualised information on any additional services provided and the corresponding fees received from these entities by the external auditor or by related persons or entities in accordance with the legislation on the auditing of accounts.

- (n) Issue an annual report, prior to the issue of the audit report, containing an opinion on whether the independence of the audit has been compromised. This report will, in any event, contain a reasoned assessment of each and every one of the additional services referred to in the foregoing point, considered both individually and as a whole, apart from the legal audit and in relation to the regime of independence or the audit regulations.

In the event of the resignation of the external auditor, examine the circumstances leading to it.

- (o) Ensure that the remuneration of the external auditor for its work does not compromise its quality or independence, as well as establishing an indicative limit on the fees that the auditor can receive annually for services other than auditing.
- (p) Ensure that the Company notifies the CNMV of any change of auditor by means of a relevant event accompanying a declaration on the existence of any disagreements with the outgoing auditor including the content of the same, should any exist.

- (q) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to inform it of the work carried out and the evolution of the Company's accounting and risk situation.
- (r) Ensure that the Company and the external auditor respect the rules in force on the provision of services other than auditing, the limits on the concentration of the auditor's business and, in general, any other rules on the independence of auditors.
- (s) Carry out a final assessment of the auditor's actions and how it has contributed to the quality of the audit and the integrity of the financial information.

Other responsibilities:

- (t) To previously inform the Board of Directors of any aspects established in the law, the By-laws and in these Rules and, in particular, regarding:
  - (i) the financial conditions and the accounting implications and, if applicable, regarding the proposed equation of exchange, of the corporate and structural modification operations envisaged by the Company;
  - (ii) the creation or acquisition of stakes in special purpose vehicles or entities which are domiciled in countries or territories deemed tax havens; and
  - (iii) related-party transactions.

The provisions established in points k), l), m) and n) above will be understood to apply without prejudice to the regulations governing audits.

In addition to the above responsibilities, the Audit Committee will supervise compliance with corporate governance rules, internal codes of conduct and the corporate social responsibility policy, with the following duties corresponding thereto:

- (a) Supervising compliance with the Company's internal codes of conduct and corporate governance rules.
- (b) Supervising the communication strategy and relationship with shareholders and investors, including small and medium-sized shareholders.
- (c) On-going assessment of the Company's corporate governance system, to ensure that it complies with its objective to promote corporate interests and takes into account, as the case may be, the legitimate rights of the remaining special interest groups.
- (d) Reviewing the Company's corporate responsibility policy, to ensure that it is steered towards creating value.
- (e) Supervising the corporate responsibility practices and strategy and evaluating level of compliance.
- (f) Supervising and evaluating relationship processes with the different special interest groups.
- (g) Evaluating all aspects relating to the Company's non-financial risks, including operating, technology, legal, social, environmental, political and reputational risks.
- (h) Coordinating the process to report non-financial and diversity-related information, in accordance with applicable regulations and international standards.

**Appointment Committee**

The Appointment Committee is made up of a Chairman and a minimum of two members appointed by the Board of Directors from among its members. At least two of the members, as well as the Chairman of this Committee, must be independent Board members. The Appointment Committee must meet at least twice a year.

The following table describes the composition of the Appointment Committee of the Issuer as at 31 December 2018:

<b>Name</b>	<b>Position</b>	<b>Class</b>
Catalina Miñarro Brugarolas	Chairman	Independent
Mariano Hernández Herreros	Board Member	Proprietary
Javier Echenique Landiribar	Board Member	Proprietary
Carmen Fernández Rozado	Board Member	Independent
Joan David Grima Terre	Board Member	Other External
José María Loizaga Viguri	Board Member	Other External
Pedro José López Jiménez	Board Member	Other External

According to the new Board of Directors Regulations, the responsibilities of the Appointment Committee include:

- (k) Assessing the competence, knowledge and experience necessary on the Board of Directors. To that end, it will define the necessary functions and aptitudes of candidates to fill any position and will assess the time and dedication necessary so that they can effectively perform their duties.
- (l) Raise to the Board of Directors the proposed appointments of independent Directors to be designated by co-optation or to be submitted to the decision of the General Meeting of shareholders, as well as proposals for the re-election or removal of the Directors by the General Meeting.
- (m) Inform of the proposed appointments of the remaining Directors to be designated by co-optation or to be submitted to the decision of the General Meeting of shareholders, as well as proposals for the re-election or removal of the Directors by the General Meeting.
- (n) Inform of proposals to appoint the Secretary to the Board of Directors.
- (o) Examine and organise the succession of the Chairperson of the Board of Directors and of the CEO of the Company and, if applicable, make proposals to the Board of Directors so that the succession takes place in an orderly, planned fashion.
- (p) Inform of proposals to appoint and remove Senior Executives, especially those who are to form part of the Management Committee of the Group, and the basic conditions of their contracts.
- (q) Propose the diversity policy to the Board of Directors, based, among other things, on age, disability, training, professional experience and gender criteria, establishing the objectives in this regard.

### **Remuneration Committee**

The Remuneration Committee is made up of a Chairman and a minimum of two members appointed by the Board of Directors from amongst its members. At least two of the members, as well as the Chairman of this Committee, must be independent Board members. The Remuneration Committee must meet at least twice a year.

The following table describes the composition of the Remuneration Committee of the Issuer as at the date of this Information Memorandum:

<b>Name</b>	<b>Position</b>	<b>Class</b>
Antonio Botella García	Chairman	Independent
Manuel Delgado Solis	Board Member	Proprietary
Emilio García Gallego	Board Member	Independent
María Soledad Pérez Rodríguez	Board Member	Proprietary
Miguel Roca Junyent	Board Member	Other External
Jose Eladio Seco Dominguez	Board Member	Independent

According to the new Board of Directors Regulations the responsibilities of the Remuneration Committee include:



- (k) Propose to the Board of Directors the remuneration policy of Directors and general managers or whoever performs the senior executive functions answering directly to the Board of Executive Committees or Executive Directors, ensuring they are observed.
- (l) Inform of the proposed distribution of the overall remuneration agreed by the General Meeting among the members of the Board of Directors.
- (m) Propose the individual remuneration and other contract conditions of managing Directors.

Insofar as may be necessary, and with any necessary adaptations, the functioning of the Appointments and Remuneration Committees shall be governed by the provisions of these Rules regulating the functioning of the Board of Directors.

### **Employees**

As at 31 December 2018, the Group employed a total of 195,461 people. The following table sets out a breakdown, by business unit, of the Group's employees as at 31 December 2016, 2017 and 2018:

	<u>31 December 2016</u>	<u>31 December 2017</u>	<u>31 December 2018</u>
Construction .....	64,281	66,897	68,540
Industrial Services .....	40,806	41,002	51,672
Services .....	71,616	74,317	75,197
Corporation .....	52	53	52
<b>Total .....</b>	<b><u>176,755</u></b>	<b><u>182,269</u></b>	<b><u>195,461</u></b>

### **Conflicts of Interest**

Other than those specifically declared according to the applicable law or regulations, and as set out in the Issuer's 2018 financial statements incorporated by reference herein, there exist no conflicts of interest between the administrative, management and supervisory bodies of the Issuer and there exist no potential conflicts of interest between any duties to the issuing entity of any members of such administrative, management or supervisory bodies and their private interests and/or other duties.

### **Transactions with Related Parties**

All related-party transactions executed in the financial year ended 31 December 2018 and up to the date of this Information Memorandum were undertaken in the ordinary course of business of the Issuer and were performed on an arm's-length basis.

### **Financial Information concerning the Issuer**

The Issuer's consolidated financial statements for the years ended 31 December 2017 and 2018 have been audited by Deloitte, S.L.

The registered offices of Deloitte, S.L are at Plaza Pablo Ruiz Picasso, 1, Madrid, and it is registered under number S 0692 in the Official register of Auditors (*Registro Oficial de Auditores de Cuentas*). The appointment of a new auditor is scheduled to be decided on the General Shareholders' Meeting to be held on 10 May 2019.

### **Litigation**

As at 31 December 2018, the Group had provisions for third-party liability amounting to €982.3 million. These provisions cover the risks arising from companies of the Group, which are party to certain legal proceedings due to the liability inherent in the activities carried out by them.

Although there are a number of lawsuits, the Issuer believes that such lawsuits, except those outlined in this section, are for non-relevant amounts when considered individually based on the size of the Group.

Periodic charges to these provisions are made based on an analysis of the lawsuits or claims in progress, according to the reports prepared by the legal advisers of the Group. As in the case of provisions for taxes, these amounts are not updated to the extent that the time at which the risk arises or disappears depends on

circumstances linked to judgments or arbitration, and it is impossible to determine the date on which they will be resolved. Additionally, these provisions are not derecognised until the judgments handed down are final and payment is made, or until there is no doubt as to the disappearance of the associated risk

The investment of the Group in Alazor as well as the accounts receivable for Alazor have been fully provided for in the consolidated financial statements of the Group for 2018. With regard to the opening brief lodged by the financial entities and communicated to shareholders in October 2013, it should be noted that, after waiving its right in September 2018 to the appeal that it had lodged against its dismissal, the acquiring funds from the loans submitted a new opening brief which was presented to ACS, Actividades de Construcción y Servicios, S.A. and to Desarrollo de Concesiones Viarias Uno, S.L. in January 2019, and the reply brief has already been submitted to Madrid Court No.13 of First Instance.

Regarding the executive order communicated in February 2014, after the enforcement delivery was overturned and the €278.37 million consigned to the Court account returned (of which €87.85 million corresponded to the Group), the shareholders have claimed €31.71 million in compensation for interest on arrears and damages (€11.32 million corresponding to the Group); the pronouncement of the Provincial High Court of Madrid is pending.

Regarding the insolvency proceedings pursued through the Madrid Juzgado de lo Mercantil No. 6 (Commercial Court), it should be noted that the Insolvency Proceedings for Accesos de Madrid and Alazor were ruled to be accidental by judicial edicts dated 4 July and 17 October 2018 respectively. The Bankruptcy Administration for Accesos de Madrid handed the operation of the motorways R3 and R5 to the State by deed on 9 May 2018. Its management will be undertaken by the Spanish Ministry of Development through Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (SEITTTSA).

The judge ruled that TP Ferro should enter into liquidation in 2016 and, therefore, at the end of that same year, the states (France and Spain) gave notice to commence administrative termination proceedings of the concession contract, ending the concession and assuming management of the infrastructure from 2017. Following several delays, the states concluded in July 2018 that in their interpretation of the concession contract, the Concessionaire should pay the grantor states slightly more than €75 million. This resolution favors further litigation by TP Ferro and its creditors against the states, essentially without repercussions for the Group.

In relation to the concession agreement of the Lima Metro Line 2 Project in Peru, on 16 January 2017 the concessionaire Metro de Lima Línea 2, S.A. (in which Iridium Concesiones de Infraestructuras S.A. holds a 25% stake) filed an application for arbitration against the Republic of Peru (Ministry of Transport and Communications) before the International Center for the Settlement of Investment Disputes between States and Nationals of other States (ICSID) for serious breach by the Republic of Peru in the concession agreement mainly consisting of: (i) the non-delivery of the Concession Area in the terms and conditions established in the concession agreement, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies. Through the petition submitted by the concessionaire on 23 January 2018 and the reply brief submitted by the concessionaire on 19 November 2018, an extension of the implementation period for the Project works and compensation for damages in excess of \$700 million have been requested, which include damages incurred by different participants in the Project (concessionaire, construction group, rolling stock supplier, etc.). In the reply brief submitted by the Republic of Peru on 30 May 2018 and the supplementary brief submitted on 18 February 2019, Peru rejected the claims made, based, among other issues, on the lack of grounds and legitimacy, and included a counterclaim against the concessionaire for an amount higher than \$700 million for socio-economic and environmental damages caused by the delay in the implementation of the project and also the payment of the penalties imposed by the regulator (OSITRAN) to the concessionaire and not paid by it. The arbitration ruling is likely to be issued in December 2019.

On 3 December 2015, CNMC delivered a judgment in the proceedings against various companies, including Dragados, S.A., for alleged restrictive practices to competition in relation to the modular construction business. The amount of the decision, which totals €8.6 million, was the subject of an appeal filed in 2016. The Group's Management considers that its potential effect will not be significant.

In December 2014, the Public Prosecutor's Office filed a lawsuit against Escal UGS, S.L. for an alleged crime against the environment and natural resources as a result of the micro earthquakes detected in the Castor gas storage area. The application is at an early stage of investigation and the court has not yet issued a decision. The Group's directors, based on the status of the aforementioned procedure and the opinion of

their legal advisors, consider that their outcome will not have a material adverse effect on the consolidated financial statements for the years in which they are resolved.

On 21 December 2017, the Constitutional Court issued a ruling in which certain appeals were partially granted. In particular, certain articles of RDL 13/2014 are declared null and void as the Court considers that the so-called “enabling budget” for the use of a decree-law (extraordinary situation and urgent need) does not apply. The Group, with the support of its legal advisers, does not consider that any significant damage will result from this situation.

In addition, on 24 October 2018, the CNMC notified Escal UGS, S.L. of the agreement to start an officio review process of the definitive settlement of the regulated operations in the natural gas sector in relation to payments made to Escal UGS, S.L. charged to the 2014 liquidation (reflected in the liquidation in fiscal year 2016), relating to the Castor underground storage and the financial penalty received by Escal UGS, S.L. lodged a claim against the review process. On 7 February, a proposed resolution was received which did not address the claims and maintained the review of the agreements which gave rise to various payments to Escal UGS, S.L. at the time of the definitive settlements in 2016 and 2017. The process was ongoing at the date these condensed consolidated financial statements were being prepared.

### **Intellectual and industrial property**

The trademarks of the Issuer and the Group are protected on a domestic, European Union and international level in a broad range of classes in international patent registers. As at the date of this Information Memorandum, there were no proceedings or other litigation in connection with the Issuer's or the Group's trademarks.

### **Credit Rating**

The Issuer has been assigned a short-term credit rating of A-2 (stable outlook) and a long-term credit rating of BBB (stable outlook) by S&P.

## **CERTAIN INFORMATION IN RESPECT OF THE NOTES**

### **Key Information**

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of each issue of Notes will be used for the general funding purposes of the Group.

### **Information concerning the securities to be admitted to trading**

#### **Total amount of Notes admitted to trading**

The aggregate amount of each issue of Notes will be set out in the applicable Final Terms.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is EUR 750,000,000 (or its equivalent in other currencies).

#### **Type and class of Notes**

Notes will be issued in tranches. Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations:

- (k) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);
- (l) for Euro Notes, EUR 100,000 (and integral multiples of EUR 1,000 in excess thereof) except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher;
- (m) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);
- (n) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); or
- (o) for Swiss Franc Notes, SFr 500,000,

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum denomination being at least equal to the Euro equivalent of EUR 100,000 (except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.

The international security identification number of each issue of Notes will be specified in the relevant Final Terms.

### **Legislation under which the Notes, the related contractual documentation and the Deed of Covenant have been created**

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the terms and conditions of the Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.

### **Form of the Notes**

The Notes will be in bearer form. Each issue of Notes will initially be represented by a Global Note which will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Classic Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear

and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each New Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Note may, if so specified in the relevant Final Terms, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006, the European Central Bank (the "ECB") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

### **Currency of the Notes**

Notes may be issued in United States Dollars, Euro, Sterling, Japanese Yen, and Swiss Francs and such other currencies as may be agreed between the Issuer and the Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.

### **Status of the Notes**

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among themselves and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.

*In the event of insolvency (concurso) of the Issuer, under the Insolvency Law, claims relating to Notes (unless they qualify as subordinated credits under Article 92 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. The claims that qualify as subordinated credits under Article 92 of the Insolvency Law include, but are not limited to, any accrued and unpaid interests (including, for Notes sold at a discount, the amortisation of the original issue discount from (and including) the date of issue to (but excluding) the date upon which the insolvency proceeding (concurso) of the Issuer commenced). Ordinary credits rank below credits against the insolvency estate (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits and the rights of shareholders. Pursuant to Article 59 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of insolvency of the Issuer (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security).*

### **Rights attaching to the Notes**

Each issue of Notes will be the subject of Final Terms which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive Notes and must be read in conjunction with the relevant Notes. See "*Forms of Notes*" and "*Form of Final Terms*".

### **Maturity of the Notes**

The maturity date applicable to each issue of Notes will be specified in the relevant Final Terms (the "**Maturity Date**"). The Maturity Date of an issue of Notes may not be less than 1 day nor more than 364 days from the date of issue, subject to applicable legal and regulatory requirements.

### **Optional Redemption for Tax Reasons**

The Issuer may redeem Notes (in whole but not in part) on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax) if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or

amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

For the purposes of this section, "**Early Redemption Amount (Tax)**" means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

### **Redemption at the Option of the Issuer**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.

### **Prescription**

Claims for payment of principal and interest in respect of the Notes shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date in each case as specified in the relevant Final Terms.

### **Yield Basis**

Notes may be issued on the basis that they will be interest bearing or they may be issued at a discount (in which case they will not bear interest). The yield basis in respect of Notes bearing interest at a fixed rate will be set out in the relevant Final Terms.

### **Authorisations and approvals**

The establishment of the Programme and the issuance of Notes pursuant thereto was authorised by a resolution of the Board of Directors of the Issuer adopted at a meeting passed on 8 November 2012, on the basis of the authorisation granted by a resolution of the ordinary General Shareholder's Meeting of the Issuer passed on 25 May 2009. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer adopted at a meeting passed on 28 February 2018. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### **Admission to Trading and Dealing Arrangements**

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the Dealer. No Notes may be issued on an unlisted basis.

The Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL, United Kingdom is the Issuing and Paying Agent in respect of the Notes.

### **Expense of the Admission to Trading**

The expense in relation to the admission to trading of each issue of Notes will be specified in the relevant Final Terms.

**Additional Information**

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

Any credit ratings assigned to the Notes will be set out in the relevant Final Terms.

**A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, charge or withdrawal at any time by the assigning rating agency.**

## FORM OF NOTES

### PART I FORM OF MULTICURRENCY GLOBAL NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT.

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**  
*(Incorporated with limited liability in the Kingdom of Spain)*

**€750,000,000**

#### EURO-COMMERCIAL PAPER PROGRAMME

1. For value received, ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**") promises to pay to the bearer of this Global Note on the Maturity Date set out in the Final Terms or on such earlier date as the same may become payable in accordance with paragraph 4 below (the "**Relevant Date**"), the Nominal Amount or, as the case may be, Redemption Amount set out in the Final Terms, together with interest thereon, if this is an interest bearing Global Note, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Global Note shall have the same meaning in this Global Note.

All such payments shall be made in accordance with an amended and restated issuing and paying agency agreement (the "**Issuing and Paying Agency Agreement**") dated 29 April 2019 (as amended and restated or supplemented from time to time) between the Issuer, The Bank of New York Mellon, London Branch as issue agent and as principal paying agent (the "**Issuing and Paying Agent**", together with their successors in such capacity and any other paying agents appointed by the Issuer on the terms of the Issuing and Paying Agency Agreement, the "**Paying Agents**"), a copy of which is available for inspection at the offices of the Issuing and Paying Agent at One Canada Square, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the office of the Issuing and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global Note denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. dollars in the principal financial centre of any country outside of the United States that the Issuer or Issuing and Paying Agent so chooses.

2. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall be a "**New Global Note**" or "**NGN**" and the principal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs (as defined below). The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD))



shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

If the Final Terms specify that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the principal amount of Notes represented by this Global Note shall be the amount stated in the Final Terms or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in the Schedule hereto.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
  - (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
  - (b) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities or in relation to whom the Issuer does not receive any relevant information about the Notes (including due to any failure by the Issuing and Paying Agent to provide the information required by Royal Decree 1065/2007) as may be required in order to comply with Spanish tax disclosure obligations applicable at that time; or
  - (c) more than fifteen days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days.
4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest-bearing Note) interest accrued to the date fixed for redemption, if:
  - (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date as specified in the Final Terms; and
  - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

*provided, however*, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

- 5. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
- 6. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
- 7. All Notes so purchased by the Issuer or otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
- 8. On each occasion on which:
  - (a) Definitive Notes: Notes in definitive form are delivered; or
  - (b) Cancellation: Notes represented by this Global Note are to be cancelled in accordance with paragraph 6,

the Issuer shall procure that:

- (a) if the Final Terms specify that the New Global Note form is not applicable, (i) the aggregate principal amount of such Notes; and (ii) the remaining principal amount of Notes represented by this Global Note (which shall be the previous principal amount hereof less the aggregate of the amounts referred to in (i) above) are entered in the Schedule hereto, whereupon the principal amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and
  - (b) if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs and the Nominal Amount of the Notes entered in the records of the ICSDs and represented by the Global Note shall be reduced by the principal amount so exchanged or cancelled.
- 9. The payment obligations of the Issuer represented by this Global Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 92 of the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among themselves and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.
  - 10. If the Maturity Date (or, as the case may be, the Relevant Date or, if applicable, the relevant Interest Payment Date), is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment

Business Day and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

**"Payment Business Day"** means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

**"TARGET2"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

**"TARGET Business Day"** means any day on which TARGET2 is open for the settlement of payments in euro.

11. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
12. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
  - (a) if Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**", together with Euroclear, the international central securities depositories or "**ICSDs**") or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issuing and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issuing and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the Specified Currency set out in the Final Terms in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

13. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 20 March 2013, entered into by the Issuer).
14. If this is an interest-bearing Global Note, then:
  - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Issuer shall procure that:

- (i) if the Final Terms specify that the New Global Note form is not applicable, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment; and
  - (ii) if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs.
- 15. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
  - (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and
  - (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.
- 16. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
  - (a) in the case of a Global Note which specifies LIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Final Terms (if any) above or below LIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note (and unless otherwise specified in the Final Terms):

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable (the "**Relevant Time**") on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the Final Terms in relation to the Reference Rate; and

"**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

If such rate does not appear on that page or if that page is unavailable, the Calculation Agent will:

- (i) request the relevant Financial Centre office of each of the four major banks selected by the Issuer in the market that are most closely connected with the Reference Rate (excluding the Calculation Agent) to provide a quotation of the Reference Rate at approximately the Relevant Time on the LIBOR Interest Determination Date offered to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (ii) determine the arithmetic mean of such quotations.

If fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Relevant Financial Centre selected by the Issuer, at approximately 11.00 a.m. (local time in the Relevant Financial Centre) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time and the Rate of Interest for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined.

If the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period, substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note (and unless otherwise specified in the Final Terms), "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable (the "**Relevant Time**") on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

If such rate does not appear on that page or if that page is unavailable, the Calculation Agent will:

- (i) request the relevant Financial Centre office of each of the four major banks selected by the Issuer in the market that are most closely connected with the Reference Rate (excluding the Calculation Agent) to provide a quotation of the Reference Rate at approximately the Relevant Time on the EURIBOR Interest Determination Date offered to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (ii) determine the arithmetic mean of such quotations.

If fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in such financial centre(s) as the Issuer may select, at approximately 11.00 a.m. (Brussels time) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time and the Rate of Interest for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined.

If the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period, substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period;

- (c) in the case of a Global Note which specifies EONIA as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Final Terms (if any), determined on each TARGET Business Day during the relevant Interest Period as specified below. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days;

As used in this Global Note (unless otherwise specified in the Final Terms) "**EONIA**", for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) or as near thereto as practicable (the "**Relevant Time**") on the TARGET Business Day immediately following such day (each an "**EONIA Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Final Terms in relation to the Reference Rate

If such rate does not appear on that page or if that page is unavailable, the Calculation Agent will:

- (i) request the relevant Financial Centre office of each of the four major banks selected by the Issuer in the market that are most closely connected with the Reference Rate (excluding the Calculation Agent) to provide a quotation of the Reference Rate at approximately the Relevant Time on the EONIA Interest Determination Date offered to leading banks in the Relevant Financial Centre interbank market in an amount principal that is representative for a single transaction in that market at that time; and
- (ii) determine the arithmetic mean of such quotations.

If fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in such financial centre(s) as the Issuer may select, at approximately 11.00 a.m. (Brussels time) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time and the Rate of Interest for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined.

If the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding day, substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period;

- (d) the Calculation Agent specified in the Final Terms will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date or (iii) 11.00 a.m. (Brussels time) on each EONIA Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") in the case of (i) and (ii) above, for the relevant Interest Period or in the case of (iii) above, the relevant day. "**Rate of Interest**" means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 16(a) above, (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 16(b), and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 16(c). The Amount of Interest shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;
- (e) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- (f) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "Interest Period" for the purposes of this paragraph; and
- (g) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 11, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
- (h) If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread if any and any Benchmark Amendments.

An Independent Adviser appointed pursuant to this paragraph (h) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Issuing and Paying Agent, or the holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this paragraph (h).

If (a) the Issuer is unable to appoint an Independent Adviser; or (b) the Issuer fails to determine a Successor Rate or, failing which, an Alternative prior to the relevant LIBOR Interest Determination Date, EURIBOR Interest Determination Date or EONIA Interest Determination Date as applicable, the Rate of Interest applicable to the next succeeding

Interest Period, shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. For the avoidance of doubt, this paragraph (h) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this paragraph (h).

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in this paragraph (h)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Notes (subject to the operation of this paragraph (h)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in paragraph (h)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Notes (subject to the operation of this paragraph (h)).

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this paragraph (h) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these terms and conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with the following paragraph, without any requirement for the consent or approval of holders, vary these terms and conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this paragraph (h), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this paragraph (h) will be notified promptly by the Issuer to the Calculation Agent, the Issuing and Paying Agent and the holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Without prejudice to the obligations of the Issuer under the foregoing paragraphs, the Original Reference Rate and the fallback provisions provided herein will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this paragraph (h) shall prevail.

As used in this paragraph (h):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor



Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged);
- (iii) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

**"Alternative Rate"** means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with paragraph (h) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

**"Benchmark Event"** means:

- (i) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate Notes; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Instruments, in each case within the following six months; or
- (v) it has become unlawful for the Issuing and Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any holder using the Original Reference Rate.

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under paragraph (h).

**"Original Reference Rate"** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof), as applicable, on the Notes.

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

17. Instructions for payment must be received at the office of the Issuing and Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
  - (b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling on or prior to the relevant payment date; and
  - (c) in all other cases, at least one Business Day prior to the relevant payment date. As used in this paragraph, **"Business Day"** means:
    - (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
    - (ii) in the case of payments in Euro, a TARGET Business Day; and
    - (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.
18. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:
- (a) *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in the Schedule hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and
  - (b) *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.
19. This Global Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.

20. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.
21. This Global Note and all non-contractual obligations arising out of or in connection with this Global Note are governed by, and construed in accordance with, English law.
- (a) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Global Note (including a dispute relating to the existence, validity or termination of this Global Note or any non-contractual obligation arising out of or in connection with this Global Note) or the consequences of its nullity (a "**Dispute**").
- (b) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (c) *Rights of the bearer to take proceedings outside England:* Clause 21(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 21 prevents the bearer from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.
22. If this Global Note has been admitted to listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Global Note shall be published in accordance with the requirements of the Irish Stock Exchange plc trading as Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system). So long as the Notes are represented by this Global Note, and this Global Note has been deposited with a depositary or common depositary for the ICSDs or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Issuing and Paying Agency Agreement), the Issuer may, in lieu of such publication and if so permitted by the rules of the Irish Stock Exchange plc trading as Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system), deliver the relevant notice to the clearing system(s) in which this Global Note is held.
23. Claims for payment of principal and interest in respect of this Global Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
24. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED** by **THE BANK OF  
NEW YORK MELLON, LONDON  
BRANCH**

**SIGNED AND DELIVERED AS A DEED**  
for and on behalf of

**ACS, ACTIVIDADES DE  
CONSTRUCCIÓN Y SERVICIOS, S.A.**

without recourse, warranty or liability and for  
authentication purposes only

By: .....

By its lawfully appointed attorney:  
.....

*(Authorised Signatory)*

**EFFECTUATED** for and on behalf of

.....  
as common safekeeper without  
recourse, warranty or liability

By: .....  
*[manual signature] (duly authorised)*

**SCHEDULE<sup>1</sup>**

**PAYMENTS OF INTEREST, DELIVERY OF DEFINITIVE NOTES AND CANCELLATION OF NOTES**

<u>Date of payment, delivery or cancellation</u>	<u>Amount of interest then paid</u>	<u>Amount of principal then paid</u>	<u>Aggregate principal amount of Definitive Notes then delivered</u>	<u>Aggregate principal amount of Notes then cancelled</u>	<u>New principal amount of this Global Note</u>	<u>Authorised Signature</u>
--	-------------------------------------	--------------------------------------	--	---	---	-----------------------------

---

<sup>1</sup> The Schedule should only be completed where the Final Terms specify that the New Global Note form is not applicable

**FINAL TERMS**

*[Completed Final Terms to be attached]*

## PART II

### FORM OF MULTICURRENCY DEFINITIVE NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT.

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**  
*(Incorporated with limited liability in the Kingdom of Spain)*

**€750,000,000**

### EURO-COMMERCIAL PAPER PROGRAMME

Nominal Amount of this Note:

1. For value received, ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**") promises to pay to the bearer of this Note on the Maturity Date set out in the Final Terms, or on such earlier date as the same may become payable in accordance with paragraph 3 below (the "**Relevant Date**"), the above-mentioned Nominal Amount or, as the case may be, the Redemption Amount set out in the Final Terms, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Note shall have the same meaning in this Note.

All such payments shall be made in accordance with an amended and restated issuing and paying agency agreement (the "**Issuing and Paying Agency Agreement**") dated 29 April 2019 (as amended and restated or supplemented from time to time) between the Issuer, The Bank of New York Mellon, London Branch as issue agent and as principal paying agent (the "**Issuing and Paying Agent**", together with their successors in such capacity and any other paying agents appointed by the Issuer on the terms of the Issuing and Paying Agency Agreement, the "**Paying Agents**"), a copy of which is available for inspection at the offices of the Issuing and Paying Agent at One Canada Square, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the office of the Issuing and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, if this Note is denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
  - (b) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities or in relation to whom the Issuer does not receive any relevant information about the Notes (including due to any failure by the Issuing and Paying Agent to provide the information required by Royal Decree 1065/2007) as may be required in order to comply with Spanish tax disclosure obligations applicable at that time; or
  - (c) more than fifteen days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days.
3. This Note may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest-bearing Note) interest accrued to the date fixed for redemption, if:

- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Final Terms; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided**, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
5. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.



6. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
7. The payment obligations of the Issuer represented by this Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 92 of the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among other Notes of the same Series (as specified in the Final Terms) and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.
8. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date, is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein, "**Payment Business Day**", shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (b) either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

"**TARGET Business Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

9. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
10. [If this is an interest-bearing Note, then:
  - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
11. If this is a fixed rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
  - (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days at the

Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and

- (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.

12. If this is a floating rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:

- (a) in the case of a Note which specifies LIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Final Terms (if any) above or below LIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days, unless otherwise specified in the Final Terms.

As used in this Note:

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Note is denominated in Sterling, on the first day thereof (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate; and

"**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

If such rate does not appear on that page or if that page is unavailable, the Calculation Agent will:

- (i) request the relevant Financial Centre office of each of the four major banks selected by the Issuer in the market that are most closely connected with the Reference Rate (excluding the Calculation Agent) to provide a quotation of the Reference Rate at approximately the Relevant Time on the LIBOR Interest Determination Date offered to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (ii) determine the arithmetic mean of such quotations.

If fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Relevant Financial Centre selected by the Issuer, at approximately 11.00 a.m. (local time in the Relevant Financial Centre) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time and

the Rate of Interest for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined.

If the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note (and unless otherwise specified in the Final Terms), "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

If such rate does not appear on that page or if that page is unavailable, the Calculation Agent will:

- (i) request the relevant Financial Centre office of each of the four major banks selected by the Issuer in the market that are most closely connected with the Reference Rate (excluding the Calculation Agent) to provide a quotation of the Reference Rate at approximately the Relevant Time on the EURIBOR Interest Determination Date offered to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (ii) determine the arithmetic mean of such quotations.

If fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in such financial centre(s) as the Issuer may select, at approximately 11.00 a.m. (Brussels time) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time and the Rate of Interest for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined.

If the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period;

- (c) in the case of a Note which specifies EONIA as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Final Terms (if any), determined on each TARGET Business Day during the Relevant Interest Period as specified below. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of actual number of days in such Interest Period and a year of 360 days.

As used in this Note (unless otherwise specified in the Final Terms) "**EONIA**", for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each an "**EONIA Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Final Terms in relation to the Reference Rate.

If such rate does not appear on that page or if that page is unavailable, the Calculation Agent will:

- (i) request the relevant Financial Centre office of each of the four major banks selected by the Issuer in the market that are most closely connected with the Reference Rate (excluding the Calculation Agent) to provide a quotation of the Reference Rate at approximately the Relevant Time on the EONIA Interest Determination Date offered to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (ii) determine the arithmetic mean of such quotations.

If fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in such financial centre(s) as the Issuer may select, at approximately 11.00 a.m. (Brussels time) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time and the Rate of Interest for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined.

If the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period;

- (d) the Calculation Agent specified in the Final Terms will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date or (iii) 11.00 a.m. (Brussels time) on each EONIA Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") in the case of (i) and (ii) above, for the relevant Interest Period or, in the case of (iii) above, the relevant day. "**Rate of Interest**" means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 12(a) above, (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance

with the provisions of paragraph 12(b), and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 12(c). The Amount of Interest shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;

- (e) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- (f) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph; and
- (g) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).

13. Instructions for payment must be received at the office of the Issuing and Paying Agent referred to above together with this Note as follows:

- (a) if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
- (b) if this Note is denominated in United States dollars, Canadian dollars or Euro, on or prior to the relevant payment date; and
- (c) in all other cases, at least one Business Day prior to the relevant payment date. As used in this paragraph, "**Business Day**" means:
  - (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
  - (ii) in the case of payments in Euro, a TARGET Business Day; and
  - (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.]<sup>2</sup>

14. This Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.

15. This Note and all non-contractual obligations arising out of or in connection with this Note are governed by, and construed in accordance with, English law.

- (a) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Note (including a dispute relating to the existence,

---

<sup>2</sup> If this Note is denominated in Sterling, delete paragraphs 9 through 12 inclusive and replace with interest provisions to be included on the reverse of the Note as indicated below.

validity or termination of this Note or any non-contractual obligation arising out of or in connection with this Note) or the consequences of its nullity (a "Dispute").

- (b) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
  - (c) *Rights of the bearer to take proceedings outside England:* Clause 15(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this clause 15 prevents the bearer from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
  - (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.
16. If this Note has been admitted to listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Note shall be published in accordance with the requirements of the Irish Stock Exchange plc trading as Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system).
17. Claims for payment of principal and interest in respect of this Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
18. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED** by **THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**SIGNED AND DELIVERED AS A DEED**  
for and on behalf of

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**

without recourse, warranty or liability and for authentication purposes only

By: .....

By its lawfully appointed attorney: .....

(*Authorised Signatory*)

[On the Reverse]

- (A) [If this is an interest-bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
- (B) If this is a fixed rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
- (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest penny (with halves being rounded upwards); and
  - (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph (B).
- (C) If this is a floating rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
- (a) the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Final Terms (if any) above or below LIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days.

As used in this Note, "**LIBOR**" shall be equal to the rate defined as "**LIBOR-BBA**" in respect of Sterling (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the first day of the relevant Interest Period (the "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate;

- (b) the Calculation Agent specified in the Final Terms will, as soon as practicable after 11.00 a.m. (London time) on the LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means the rate which is determined in accordance with the provisions of sub-paragraph (a) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the actual number of days in the Interest Period concerned divided by 365 and rounding the resulting figure to the nearest penny. The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (c) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- (d) the period beginning on and including the above-mentioned Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph (C);
- (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*.)]



**SCHEDULE**

**PAYMENTS OF INTEREST**

The following payments of interest in respect of this Note have been made:

<u>Date made</u>	<u>Payment From</u>	<u>Payment To</u>	<u>Amount Paid</u>	<u>Notation on behalf of Issuing and Paying Agent</u>
------------------	---------------------	-------------------	--------------------	---

**FINAL TERMS**

*[Completed Final Terms to be attached]*

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed in respect of each issue of Notes issued under the Programme and will be attached to the relevant Global or Definitive Notes on issue.*

### **MiFID II product governance / Professional investors and eligible counterparties only target market**

– Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**

*Legal Entity Identifier (LEI):95980020140005558665*

**€750,000,000**

**EURO-COMMERCIAL PAPER PROGRAMME**

**ISSUE OF [AGGREGATE PRINCIPAL AMOUNT OF NOTES] [TITLE OF NOTES]**

## **PART A**

### **CONTRACTUAL TERMS**

This document constitutes the Final Terms (as referred to in the Information Memorandum dated 29 April 2019 (as amended, updated or supplemented from time to time, the "**Information Memorandum**") in relation to the Programme) in relation to the issue of Notes referred to above (the "Notes"). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in these Final Terms. Reference is made to the Information Memorandum for a description of the Issuer, the Programme and certain other matters. These Final Terms are supplemental to and must be read in conjunction with the full terms and conditions of the Notes. These Final Terms are also a summary of the terms and conditions of the Notes for the purpose of listing.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum dated [•]] [is][are] available for viewing during normal business hours at the registered office of the Issuer at Avenida Pío XII, 102, 28036 Madrid, Spain, and at the offices of the Issuing and Paying Agent at The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom.

The particulars to be specified in relation to the issue of the Notes are as follows:

*[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

Issuer:	ACS, Actividades de Construcción y Servicios, S.A.
Type of Note:	Euro commercial paper
Series No:	[•]
Dealer(s):	[•]

Specified Currency:	[•]
Nominal Amount:	[•]
Issue Date:	[•]
Maturity Date:	[•] [May not be less than 1 day nor more than 364 days after the Issue Date]
Issue Price:	[•]
Denomination:	[•]
Calculation Amount:	[•] <sup>3</sup>
Redemption Amount(s):	[Redemption at par][[•] per Note of [•] Denomination][Nominal amount specified on the face of each Note in definitive form][ <i>other</i> ]
	Early Redemption Amount (Tax) at [par][•]
Early Redemption Date	[•]
Redemption Notice Period	[Not less than 30 days and not more than 60 days prior to the Early Redemption Date/ <i>other</i> ]
Delivery:	[Free of/against] payment

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

Fixed Rate Note Provisions	[Applicable/Not applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(a) Rate[(s)] of Interest:	[•] per cent. per annum payable [annually/semi annually/quarterly/monthly/other (specify)] in arrear]
(b) Interest Payment Date(s):	[•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
(c) Day Count Convention (if different from that specified in the terms and conditions of the Notes):	[Not applicable/ <i>other</i> ] [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.] <sup>4</sup>
(d) Other terms relating to the method of calculating interest for Fixed	[Not applicable/give details]

<sup>3</sup> If more than one Denomination, the Calculation Amount will be the amount of the smallest Denomination.

<sup>4</sup> Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

Rate Notes (if different from those specified in the terms and conditions of the Notes):

Floating Rate Note Provisions	[Applicable/Not applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(a) Interest Payment Dates:	[•]
(b) Calculation Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent)):	[[Name] shall be the Calculation Agent]
(c) Reference Rate:	[•] months [LIBOR/EURIBOR/EONIA]
(d) Relevant Financial Centre	[Specify/the Financial Centre in Section 1.5 of the ISDA Definitions for the Specified Currency]
(e) Margin(s):	[+/-][•] per cent. per annum
(f) Day Count Convention (if different from that specified in the terms and conditions of the Notes):	[Not applicable/other] [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.] <sup>5</sup>
(g) Any other terms relating to the method of calculating interest on floating rate Notes, if different from those set out in the terms and conditions of the Notes:	[•]
(h) [Reference Banks:	[•]]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

Listing and admission to trading:	Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [•]. [other]
Ratings	[Not Applicable/ The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:  [Standard & Poor's: [•]]

---

<sup>5</sup> Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

***[Option 1 - CRA established in the EEA and registered under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority]/[European Securities and Markets Authority] .

***Option 3 -CRA established in the EEA, not registered under the CRA Regulation and not applied for registration***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA but the rating it has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]"

Clearing System(s):	Euroclear, Clearstream, Luxembourg
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
Listing Agents:	The Bank of New York Mellon SA/NV, Dublin Branch
ISIN:	[•]
Common code:	[•]
CFI:	[[See/ [ ], as updated, as set out on] the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the CFI]
FISN:	[[See/ [ ], as updated, as set out on] the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the FISN]

Any clearing system(s) other than Euroclear Bank, SA/NV, Clearstream Banking, S.A. and the relevant identification number(s): [Not applicable/give name(s) and number(s)]

New Global Note: [Yes][No]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes.][No.][Not applicable.]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][include this text if "yes" selected in which case the Notes must be issued in NGN form]

[Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.].] [Include this text if "No" selected in which case the Notes must be issued in CGN form]]

## **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €750,000,000 Euro-Commercial Paper Programme of ACS, Actividades de Construcción y Servicios, S.A.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

**SIGNED** on behalf of  
**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**

By: .....  
(duly authorised)

Dated:

## PART B

### OTHER INFORMATION

1. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

2. **ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING**

Estimated total expenses: [ ]

3. [Fixed Rate Notes only – **YIELD**

Indication of yield: [ ]

4. [Floating Rate Notes only – **HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/EONIA/other] rates can be obtained from [Reuters]].

5. [Floating Rate Notes Only – **BENCHMARK REGULATION**

[Reference Rate] is provided by [administrator]. As of the date of these Final Terms, [administrator] does [not] appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011.]

6. **JAPANESE OFFEREES**

*[In the case where the Japanese offerees are limited to Qualified Institutional Investors only, and therefore the Issuer relies upon the Qualified Institutional Investor private placement exemption (the Issuer must appoint its attorney in Japan):*

[The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") in reliance upon the exemption from the registration requirements since the offering constitutes the private placement to qualified institutional investors only.

A transferor of the Notes shall not transfer or resell them except where a transferee is a qualified institutional investor under Article 10 of the Cabinet Office Ordinance concerning Definitions provided in Article 2 of the Financial Instruments and Exchange Act of Japan (the Ministry of Finance Ordinance No. 14 of 1993, as amended).]

*[In the case where the Japanese offerees are fewer than 50, and therefore the Issuer relies upon the small number private placement exemption:*

[The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement.

A transferor of the Notes shall not transfer or resell the Notes except where the transferor transfers or resells all the Notes *en bloc* to one transferee.]]



*[Replace second paragraph above with the following if, in addition to fewer than 50 offerees, the numbers of the notes to be sold in Japan is fewer than 50:*

[The Note is not permitted to be divided into any unit less than the minimum denomination.]

## TAXATION

*The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.*

### **Taxation in the Kingdom of Spain**

*The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice applicable in the Kingdom of Spain as at the date of this Information Memorandum and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.*

#### **Introduction**

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

- of general application, the First Additional Provision of Law 10/2014, of 26 June and Royal Decree 1065/2007, of 27 July;
- for individuals with tax residency in Spain who are personal income tax ("**Personal Income Tax**") tax payers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law as amended by Law 26/2014, of 27 November and Royal Decree-law 9/2015, of 15 July (the "**Personal Income Tax Law**"), and Royal Decree 439/2007, of 30 March 2007 promulgating the Personal Income Tax Regulations as amended by Royal Decree 633/2015, of 10 July, along with Law 19/1991, of 6 June on Wealth Tax and Law 29/1987, of 18 December on Inheritance and Gift Tax;
- for legal entities resident for tax purposes in Spain which are corporate income tax ("Corporate Income Tax") taxpayers, Law 27/2014, of 27 November, of the Corporate Income Tax Law applicable on the tax periods starting as of 1 January 2015 and Royal Decree 634/2015, of 10 July promulgating the Corporate Income Tax Regulations (the "**Corporate Income Tax Regulations**"); and
- for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax ("**Non-Resident Income Tax**") taxpayers, Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law as amended by Law 26/2014, of 27 November, and Royal Decree 1776/2004, of 30 July promulgating the Non-Resident Income Tax Regulations as amended by Royal Decree 633/2015, of 10 July ("**Non-Resident Income Tax Law**"), along with Law 19/1991, of 6 June on Wealth Tax and Law 29/1987, of 18 December on Inheritance and Gift Tax.

Whatever the nature and residence of the holder of a beneficial interest in the Notes (each, a "**Beneficial Owner**"), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December regulating such tax.

#### **Individuals with Tax Residency in Spain**

##### *Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)*

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes would constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and should be included in each investor's taxable savings and taxed at the tax rate applicable from time to time, currently at the rate

of 19 per cent. for taxable income up to €6,000, 21 per cent. for taxable income between €6,000 to €50,000 and 23 per cent. for taxable income in excess of €50,000.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19 per cent. According to Section 44.5 of Royal Decree 1065/2007, of 27 July, the Issuer will make interest payments to individual holders who are resident for tax purposes in Spain without withholding **provided that** the relevant information about the Notes is submitted. However, withholding tax at the applicable rate of 19 per cent. may have to be deducted by other entities (such as depositaries, institutions or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year.

#### **Wealth Tax (Impuesto sobre el Patrimonio)**

In accordance with Article 4 of Royal Decree-Law 3/2016, of 2 December, a full exemption (*bonificación del 100%*) on Net Wealth Tax would apply in 2018 unless such exemption is revoked.

If it were revoked, individuals with tax residency in Spain will be subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December in each year, the applicable rates ranging between 0.2 per cent. and 2.5 per cent.

#### **Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules. As at the date of this Information Memorandum, the applicable tax rates currently range between 7.65 per cent. and 34 per cent. Relevant factors applied (such as previous net wealth or family relationship among transferor and transferee) determine the final effective tax rate that range, as of the date of this Information Memorandum, between 0 per cent. and 81.6 per cent.

### **LEGAL ENTITIES WITH TAX RESIDENCY IN SPAIN**

#### **Corporate Income Tax (Impuesto sobre Sociedades)**

Payments of income deriving from the transfer, redemption or repayment of the Notes constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital and would have to be included in profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax and subject to the general rate of 25 per cent. for the tax period beginning as from 1 January 2016.

In accordance with Section 44.5 of Royal Decree 1065/2007, of 27 July, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold on interest payments to Spanish CIT taxpayers **provided that** the relevant information about the Notes is submitted. However, payments of interest under the Notes may be subject to withholding tax at the applicable rate of 19 per cent. if the Notes do not comply with exemption requirements specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

#### **Wealth Tax (Impuesto sobre el Patrimonio)**

Spanish resident legal entities are not subject to Wealth Tax.

### **Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Legal entities tax resident in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

### **INDIVIDUALS AND LEGAL ENTITIES WITH NO TAX RESIDENCY IN SPAIN**

#### **Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)**

*Non-Spanish resident investors acting through a permanent establishment in Spain*

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are the same as those for Spanish Corporate Income Tax taxpayers.

*Non-Spanish resident investors not acting through a permanent establishment in Spain*

Payments of income deriving from the transfer, redemption or repayment of the Notes obtained by individuals or entities who have no tax residency in Spain, and which are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax on the same terms laid down for income from public debt.

#### **Wealth Tax (Impuesto sobre el Patrimonio)**

In accordance with Article 4 of the Royal Decree 3/2016, of 2 December, a full exemption (*bonificación del 100%*) on Net Wealth Tax would apply in 2018 unless such exemption is revoked. If it were revoked, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2 per cent. and 2.5 per cent.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax.

Non-Spanish tax resident individuals who are resident in an EU or European Economic Area Member State may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities are not subject to Wealth Tax.

#### **Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Individuals not tax resident in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with the Spanish legislation applicable in the relevant autonomous region (*Comunidad Autónoma*).

Generally, non-Spanish tax resident individuals are subject to the Spanish Inheritance and Gift Tax according to the rules set forth in the Spanish State level law. However, if the deceased or the donee are resident in an EU or European Economic Area Member State, the applicable rules will be those corresponding to the relevant Spanish autonomous regions. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to Non- Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

### **The proposed financial transactions tax ("EU FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, a "**participating Member State**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary' market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, EU FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the EU FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which, remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the EU FTT.

### **The proposed Spanish financial transactions tax.**

On 19 October 2018, the Spanish Council of Ministers approved a draft bill (the "**Draft Bill**"), according to which, due to the delay in the EU FTT being approved, the purpose of which is to implement a Spanish financial transactions tax (the "**Spanish FTT**"). However, the Spanish Council of Minister stated that Spain will continue to participate in the enhanced co-operation for the approval of the EU FTT and, if finally approved, Spain will adapt the Spanish FTT to align it with the EU FTT.

According to the Draft Bill, the Spanish FTT will be aligned with the French and Italian financial transactions tax. Specifically, it is proposed that a Spanish FTT, at a rate of 0.2%, would apply to certain acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. While as currently drafted, the Spanish FTT would not apply in relation to an issue of Notes under the Programme, there can be no assurance that any such Spanish FTT would not apply to an issue of Notes in the future.

As at the date of this Information Memorandum, the Spanish Prime Minister has called for a general election, scheduled to be held on 28 April 2019, and accordingly the Spanish Parliament has been dissolved. The procedure for approval of this Draft Bill has therefore been be postponed until a new Government is formed and the parliamentary sessions resume. As a result, some of the proposed measures could be substantially modified (or even abandoned) during the legislative process. Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

## INFORMATION ABOUT THE NOTES IN CONNECTION WITH PAYMENTS

The Issuer is currently required by Spanish law to report on certain information relating to the Notes. In accordance with Section 44 of Royal Decree 1065/2007, for that purpose, certain information with respect to the Notes must be submitted to the Issuer at the time of each payment.

Such information would be the following:

Identification of the Notes in respect of which the relevant payment is made;

Date on which relevant redemption is made;

the total amount of the relevant redemption; and

the amount of the relevant payment and to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the Issuing and Paying Agent must certify the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Information Memorandum.

In light of the above, the Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. If, despite these procedures, the relevant information is not received by the Issuer, the Issuer may be required to withhold at the applicable rate of 19 per cent. from any payment in respect of the relevant Notes as to which the required information has not been provided.

The procedures for providing documentation referred to in this section are set out in detail in the issuing and paying agency agreement dated 19 April 2017 (the "**Issue and Paying Agency Agreement**") which may be inspected during normal business hours at the specified office of the Issuing and Paying Agent. In particular, if the Issuing and Paying Agent does not act as common depositary, the procedures described in this section will be modified in the manner described in the Issue and Paying Agency Agreement.

*Set out below is Annex I. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.*

*Any foreign language text included in this Information Memorandum is for convenience purposes only and does not form part of this Information Memorandum*

## ANNEX I

### **Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007**

#### **Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos**

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

**Don (nombre), con número de identificación fiscal ( )<sup>(1)</sup>, en nombre y representación de (entidad declarante), con número de identificación fiscal ( )<sup>(1)</sup> y domicilio en ( ) en calidad de (marcar la letra que proceda):**

Mr. (name), with tax identification number ( )<sup>(1)</sup>, in the name and on behalf of (entity), with tax identification number ( )<sup>(1)</sup> and address in ( ) as (function – mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
  - (a) Management Entity of the Public Debt Market in book entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
  - (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
  - (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.**

Issuing and Paying Agent appointed by the issuer.

**Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:**

Makes the following statement, according to its own records:

- 1. En relación con los apartados 3 y 4 del artículo 44:**
  - 1. In relation to paragraphs 3 and 4 of Article 44:
    - 1.1 Identificación de los valores .....**
      - 1.1 Identification of the securities .....
    - 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
      - 1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

- 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados) .....**
- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)
- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora .....**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved .....
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2. En relación con el apartado 5 del artículo 44.**
2. In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores .....**
- 2.1 Identification of the securities.....
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) .....**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated) .....
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados) .....**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)
- 2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**
- 2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 2.6 Importe correspondiente a la entidad que el sistema de compensación y liquidación de valores con sede en el extranjero C.**
- 2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.



**Lo que declaro en.....a ... de.....de ...**

I declare the above in ..... on the ... of ..... of ...

- (1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia**
- (1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

## SUBSCRIPTION AND SALE

### General

The Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

### United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold, and will not offer and sell, Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant tranche as determined and certified by the relevant Dealer, within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this section have the meanings given to them by Regulation S.

### The United Kingdom

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree to the Issuer, that:

- it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning

of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

### **Japan**

The Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Kingdom of Spain**

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may only be offered, sold or distributed in Spain to qualified investors (*inversores cualificados*) as this term is defined in Royal Decree 1310/2005 of 4 November (*Real Decreto 1310/2005, de 4 de noviembre*), and in compliance with the provisions of the Restated Text of the Spanish Securities Market Law approved by Legislative Royal Decree 4/2015 (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended, and further developing legislation. Neither the Notes nor this Information Memorandum have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore this Information Memorandum is not intended for any public offer of the Notes in Spain.

### **Republic of France**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

### **Ireland**

The Dealer has represented, warranted and agreed that (and each further Dealer will be required to represent, warrant and agree that) it will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998 (as amended);
- the Companies Act 2014 (as amended) and all other statutes and statutory instruments or parts thereof which are to be read as one with or construed or read together as one with the Companies Act 2014 (as amended);

- the Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct or rules made under Section 117(1) of the Central Bank Act 1989 (as amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement Act) 2013 (as amended);
- the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the "**Prospectus Regulations**") and any rules issued under Section 1363 of the Companies Act 2014 by the Central Bank of Ireland (the "**Central Bank**");
- the provisions of the European Union (Market Abuse) Regulations 2016 (as amended), Regulation (EU) No. 596/2014 of the European Parliament and of the council of 16 April 2014 on market abuse and any rules issued under Section 1370 of the Companies Act 2014 by the Central Bank; and
- (for Notes offered or sold with a maturity of less than 12 months) in full compliance with Central Bank Notice BSD C 01/02.

## GENERAL INFORMATION

### Clearing of the Notes

The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear. The appropriate Common Code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to each issue of Notes and any other clearing system as shall have accepted the relevant Notes for clearance will be specified in the Final Terms relating thereto.

### Admission to Listing and Trading

It is expected that Notes issued under the Programme may be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin on or after 29 April 2019. The admission of the Notes to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to the Official List and admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin will be so admitted to listing and trading upon submission to the Irish Stock Exchange plc trading as Euronext Dublin of the relevant Final Terms and any other information required by the Irish Stock Exchange plc trading as Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

### Material Adverse Change

There has been no material adverse change in the prospects or financial or trading position of the Issuer and no significant change in the financial or trading position of the Issuer or the Group since 31 December 2018, save as disclosed in "*Recent Developments*" above.

### Legal and Arbitration Proceedings

Save as disclosed on the section "*Risk Factors*" of this Information Memorandum, there are no pending or threatened governmental, legal or arbitration proceedings against or affecting the Issuer and the Group which may have, or have had during the 12 months prior to the date hereof, individually or in the aggregate, a significant effect on the financial position of the Issuer and the Group and, to the best knowledge of the Issuer and the Group, no such actions, suits or proceedings are threatened or contemplated.

### Material Contracts

There are no material contracts which could result in any member of the Group being under an obligation that is material to the Issuer's ability to meet its obligations to holders of Notes.

### Legal Entity Identifier

The Legal Entity Identifier of the Issuer is 95980020140005558665.

### Documents on Display

Physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the office of the Issuing and Paying Agent for the life of this Information Memorandum:

- the audited consolidated financial statements listed in the section "*Documents Incorporated by Reference*" above;
- this Information Memorandum, together with any supplements thereto;

- the Issuing and Paying Agency Agreement relating to the Notes;
- the Dealer Agreement;
- the Deed of Covenant; and
- the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

**ISSUER**

**ACS, Actividades de Construcción y Servicios, S.A.**

Avenida Pío XII 102  
28036 Madrid  
Spain

**ARRANGER AND DEALER**

**Banco Santander, S.A.**

Ciudad Grupo Santander  
Edificio Encinar  
Avenida de Cantabria s/n  
28660 Boadilla del Monte  
Madrid  
Spain

**AUDITORS TO THE ISSUER**

**Deloitte, S.L.**

Plaza Pablo Ruiz Picasso, 1  
28020 Madrid  
Spain

**LEGAL ADVISERS**

*To the Dealers as to English and Spanish law*

**Clifford Chance, S.L.P.U.**

Paseo de la Castellana, 110  
28046 Madrid  
Spain

**THE ISSUING AND PAYING AGENT**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL  
United Kingdom

**THE LISTING AGENT**

**The Bank of New York Mellon SA/NV, Dublin Branch**

Riverside II, Sir John Rogerson's Quay  
Grand Canal Dock,  
Dublin 2, Ireland