

**JUSTIFIED DRAFT RESOLUTION OF THE BOARD OF DIRECTORS OF SACYR,
S.A. IN RELATION TO THE MODIFICATION OF THE DIRECTORS'
REMUNERATION POLICY REFERRED TO IN POINT SIX OF THE AGENDA OF THE
ORDINARY GENERAL SHAREHOLDERS' MEETING CONVENED FOR 14 JUNE
AND 15 JUNE 2023, IN FIRST AND SECOND CALLS, RESPECTIVELY**

1. Justification

This proposal is formulated by the Board of Directors of Sacyr, S.A., in accordance with the provisions of Article 529 *novodecies* section 4 of the Capital Companies Law.

The Board of Directors presents a modification of the current Directors' Remuneration Policy of Sacyr, S.A. 2023-2025 ("**the Policy**"), after the favourable report of the Appointments and Compensation Committee, as part of the practice of continuous improvement of good corporate governance practices.

The proposal to modify the Policy has a dual objective: to review the compensation scheme for executive directors and to provide more transparency for certain matters already included in the Policy. Specifically, the following is proposed:

1. In relation to the compensation scheme of the executive director, eliminate the Extraordinary Variable Remuneration provided for in the Policy and in his contract.
2. To introduce certain changes to the description of the rest of the elements of the compensation system so that the following items are more clearly recorded:
 - a. The existence of the formulas or clauses of the remuneration (malus) or recovery of the variable components of the remuneration (clawbacks). (See section 6.2.2.)
 - b. The objectives and some characteristics of the variable compensation. (See section 6.2.3.)
3. The update of some figures and concepts to the year 2023.

2. Draft resolution

"To approve the modification of the Directors' Remuneration Policy of Sacyr, S.A., applicable for the fiscal years 2023, 2024 and 2025 under the terms in which it has been made available to the shareholders, together with the mandatory report of the Appointments and Compensation Committee, in accordance with the provisions of Article 529 novodecies of the Consolidated Text of the Capital Companies Law".

In view of this, the Board of Directors of Sacyr, S.A. proposes to the Ordinary General Shareholders' Meeting the following:

DIRECTORS' REMUNERATION POLICY OF SACYR, S.A., 2023 – 2025

1. INTRODUCTION

The duration of the previous "Directors' Remuneration Policy of Sacyr, S.A." approved by the General Meeting held in June 2019 and modified by resolutions of the General Meeting, in June 2020 and April 2021, expires in December 2022.

The Board of Directors, after a specific report issued by the Appointments and Compensation Committee, agreed at its meeting held on 24 March, 2022 to propose to the General Meeting will be held in April 2022, the approval of the "Directors' Remuneration Policy of Sacyr, S.A." for the years 2023, 2024 and 2025.

2. APPLICABLE REGULATIONS

Without prejudice to any other regulations that may apply:

2.1. Capital Companies Law

- Article **217, paragraphs 2, 3 and 4**, establishes:

2. The established remuneration system shall determine the compensation concept or concepts to be received by the administrators in their capacity as such and which may consist, among others, of one or more of the following:

- a) a fixed amount,*
- b) travel expenses,*
- c) profit sharing,*
- d) variable compensation with general reference indicators or parameters,*
- e) remuneration in shares or linked to their variations,*
- f) severance payments, provided that the termination is not caused by the breach of the functions of administrator and*
- g) the savings or benefits systems that are deemed appropriate.*

3. The maximum amount of the annual remuneration of the group of directors in their capacity as such must be approved by the general meeting and will remain in force until its modification is approved. Unless otherwise determined by the general meeting, the distribution of compensation among the different directors shall be established by agreement of these and, in the case of the board of directors, by its decision, which shall take into account the functions and responsibilities attributed to each director.

4. The remuneration of the directors must in any case keep a reasonable proportion with the importance of the company, the economic situation it has at any given time and the market standards of comparable companies. The established remuneration system must be aimed at promoting the long-term profitability and sustainability of the company and include the necessary precautions to avoid excessive risk taking and the reward of unfavourable results.

- Article **249, paragraphs 3 and 4**, provides:

3. When a member of the board of directors is appointed as chief executive officer or is attributed executive functions under another title, it will be necessary to enter into a contract between him and the company that must be approved in advance by the board of directors with the favourable vote of two thirds of its members. The affected director must refrain from attending the deliberation and from participating in the vote. The approved contract must be incorporated as an annex to the minutes of the session.

4. The contract will detail all the items for which he may obtain remuneration for the performance of executive functions, including, where appropriate, the possible compensation for early termination of such functions and the amounts to be paid by the company as insurance premiums or contributions to savings systems. The director may not receive any compensation for the performance of executive functions whose amounts or items are not provided for in that contract.

The contract must be in accordance with the compensation policy approved, where appropriate, by the general meeting.

- Article **529 quindecies, section 3.g**, establishes:

3. Without prejudice to those other functions attributed to it by law, the company bylaws or, in accordance with them, or the regulations of the Board of Directors, the appointments and compensation committee shall, at a minimum, have the following functions:

(...)

g) To propose to the board of directors the compensation policy of the directors and of the general directors or those who carry out their senior management functions under the direct supervision of the board, of executive committees or of chief executive officers, as well as the individual compensation and the other contractual conditions of the executive directors, ensuring its observance.

- Article **529 sexdecies** provides:

Unless otherwise provided in the bylaws, the position of director of a listed company will necessarily be compensated.

- Article **529 septdecies** establishes:

1. The remuneration of the functions that directors must fulfil in their capacity as such, as members of the collegiate body or its committees, must conform to the remuneration system provided in the bylaws in accordance with Article 217 and to the remuneration policy approved in accordance with the provisions of Article 529 novodecies.

2. The remuneration policy shall establish at least the maximum amount of the annual remuneration to be paid to all directors in their capacity as such and the criteria for its distribution in view of the functions and responsibilities attributed to each of them.

3. The board of directors is responsible for the individual setting of the remuneration of the directors in their capacity as such within the framework of the bylaws and the remuneration policy, after receiving a report from the appointments and compensation committee.

- Article **529 octodecies** provides:

1. The remuneration of the executive functions of the chief executive officers and other directors to whom such functions are attributed under other titles must conform to the bylaws and, in any case, to the remuneration policy approved in accordance with the provisions of Article 529 novodecies and to the contracts approved in accordance with the provisions of Article 249.

2. The remuneration policy shall establish at least the amount of the annual fixed compensation corresponding to the directors for the performance of their executive functions and other benefits referred to in the following article.

3. The board of directors is responsible for the individual setting of the remuneration of each director for the performance of the assigned executive duties in the context of the remuneration policy and in accordance with the provisions of his contract, after receiving a report from the appointments and compensation committee.

- Article **529 novodecies** provides:

1. The directors' remuneration policy shall be adjusted to the statutory remuneration system and shall be approved by the general shareholders' meeting as a separate item of the agenda, for its application for a maximum period of three fiscal years. However, the proposals for new directors' remuneration policies must be submitted to the general shareholders' meeting prior to the end of the last fiscal year of application of the previous one, the general meeting being able to determine that the new policy is applicable from the date of its approval and during the following three fiscal years. Any modification or replacement thereof during said period will require the prior approval of the general shareholders' meeting in accordance with the procedure established for its approval.

2. The remuneration policy, together with the date and outcome of the vote, will be accessible on the company website free of charge from its approval and at least as long as it is applicable.

3. The remuneration policy shall meet the following requirements:

a) it must contribute to the business strategy and the long-term interests and sustainability of the company and explain how it does so.

b) it will be clear and understandable and will describe the different components of fixed and variable remuneration, including all bonuses and other benefits in any of their forms that may be granted to the directors, indicating their relative proportion.

c) it will state how the conditions of compensation and employment of the company's workers have been taken into account when setting the remuneration policy.

d) when a company grants variable remuneration, the remuneration policy will establish clear, complete, and varied criteria its provision and will indicate the financial and non-financial performance criteria, including, if applicable, those relating to the company's social responsibility, explaining how they contribute to the achievement of the objectives set out in point a), and the methods to be applied to determine to what extent the performance criteria have been met.

e) it will provide information on any deferral period and about the possibility that the company may require the return of variable remuneration.

f) when the company grants share-based remuneration, the policy will specify the accrual periods, as well as, where appropriate, the withholding of the shares after consolidation, and will explain how such remuneration contributes to the achievement of the objectives established in point a).

g) it will indicate the duration of the contracts or agreements with the directors, the applicable notice periods, the main characteristics of the complementary pension or early retirement systems, the termination conditions and the payments associated with it.

h) it will explain the decision-making process that has been followed for its determination, review and application, including measures aimed at avoiding or managing conflicts of interest and, where appropriate, the role of the appointments and compensation committee and of the other committees that may have intervened.

i) in the event of a revision of the policy, all significant changes and how the votes made and views received from shareholders on the policy and annual director remuneration reports have been taken into account since the date of the most recent vote that took place on the remuneration policy at the general shareholders' meeting shall be described and explained.

4. The draft of the remuneration policy of the board of directors will be justified and must be accompanied by a specific report of the appointments and compensation committee. Both documents will be made available to the shareholders on the company's website from the call of the general meeting, who may also request their free provision or delivery. The announcement of the call of the general meeting shall mention this right.

5. Any remuneration received by the directors for the exercise or termination of their position and for the performance of executive functions shall be in accordance with the directors' remuneration policy in force at all times, except for the remuneration expressly approved by the general shareholders' meeting.

6. The companies may apply temporary exceptions to the remuneration policy, provided that said policy contains the procedure to be used and the conditions under which those exceptions can be used and specifies the components of the policy that may be subject to an exception.

The exceptional circumstances mentioned in this section will only cover situations in which the exception of the remuneration policy is necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability.

7. Without prejudice to the provisions of section 1 of this article:

a) if the proposal for a new remuneration policy is rejected by the general shareholders' meeting, the company shall continue to compensate its directors in accordance with the remuneration policy in force on the date of holding the general meeting and shall submit for the approval of the next ordinary general shareholders' meeting a new draft remuneration policy; and

b) if the annual report on remuneration of the directors is rejected in the advisory vote of the ordinary general meeting, the company may only continue to apply the remuneration policy in force on the date of holding the general meeting until the next ordinary general meeting.

2.2. Company Bylaws

- Article **19, section 2.d**, establishes that the General Meeting is responsible for:

The approval of the maximum pay of the directors, in their capacity as such, and of its remuneration policy, under the terms established in the Capital Companies Law.

- Article **43** provides:

1. The directors, in their capacity as members of the Board of Directors, and for their supervision and collegiate decision work, shall be entitled to receive compensation from the Company consisting of a fixed annual amount. The maximum total amount of the compensation of the directors in their capacity as such will be set by the General Meeting, and will remain in force until its modification is agreed.

It shall be the responsibility of the Board of Directors, within the limit set by the General Meeting, to set in each fiscal year the specific amount to be received by each director for which it shall take into account (i) the positions held within said body; (ii) the concurrent characteristics thereof; or (iii) their inclusion or otherwise, and degree of responsibility, in the different committees.

2. Directors who, in addition to their supervision and collegiate decision-making tasks, fulfil executive functions within the Company regardless of their relationship with the Company, have the right to receive, for those functions, in the terms that the Board of Directors previously agrees, in addition to that referred to in section 1 above, and subject to the provisions of section 3 below, a remuneration composed of: (a) a fixed portion, appropriate to the services and responsibilities assumed; (b) a variable portion, correlated with any indicator of the performance of the director or the company; (c) a healthcare portion, that will cover the appropriate welfare and insurance systems; (d) indemnification in the event of (i) termination not due to non-compliance attributable to the director or (ii) resignation for reasons beyond the control of the director, as well as (e) compensation for exclusive agreements, post-contractual non-competition and retention, or loyalty.

It is the responsibility, as previously noted, of the Board of Directors, after obtaining a report from the Appointments and Compensation Committee, to determine the remuneration items as well as the amount thereof which applies to the executive directors, including, to the extent applicable, the fixed portion, the configuration modalities and calculation indicators of the variable portion (which in no case may consist of a share of the profits of the company), the healthcare benefits, severance pay for termination or resignation due to a cause beyond the control of the director and remuneration for exclusive agreements, post-contractual non-competition, retention or loyalty. The affected directors shall refrain from attending and participating in the corresponding deliberation. The Board of Directors shall ensure that the compensation is guided by the market conditions and takes into account the responsibility and degree of commitment involved in the role that each director carries out.

3. The remuneration of the directors (executive and non-executive) will be submitted to the General Meeting under the terms and conditions established by the current legislation at any given time.

4. Directors may also be compensated with the delivery of shares of the Company, options on them or compensation linked to the value of the shares. This compensation must be agreed by the General Meeting. The agreement of the General Meeting shall include the maximum number of shares that may be allocated in each fiscal year to this remuneration system, the exercise price or the system of calculating the exercise price of the share options, the value of the shares that, where appropriate, is taken as a reference and the term of duration of the plan.

5. The Company is authorised to take out civil liability insurance for its directors.

6. The Company shall report on the compensation of the directors under the terms and conditions established by the legislation that is in force at any given time.

2.3. Board Regulations

- Article **17, section 7, g and h**, establishes:

7. Without prejudice to other tasks assigned to it by the applicable regulations in force, the Company Bylaws, the Regulations or the Board of Directors, the Appointments and Compensation Committee shall have the following responsibilities:

(...)

g) To propose to the Board of Directors the compensation policy of the directors and of the general directors or those who carry out their senior management functions under the direct supervision of the Board of Directors, of executive committees or of chief executive officers, as well as the individual compensation and the other contractual conditions of the executive directors, ensuring their observance.

h) To periodically review compensation programmes, in particular those of senior management and the executive team, assessing their suitability and performance.

- Article **27** provides:

1. The remuneration of the directors shall be regulated in accordance with the provisions of the Company Bylaws.

2. The Board shall prepare and publish annually a report on remuneration of the directors with the content required by the applicable regulations in force at any given time.

2.4. Board Regulations

Article 3, section 4, provides:

The General Meeting shall decide on the matters within its competence in accordance with the applicable regulations and the Articles of Association, and the General Meeting shall in particular be responsible for the adoption of the following resolutions:

(...)

4. The approval of the maximum compensation of the directors, in their capacity as such, and of its remuneration policy, under the terms established in the Capital Companies Law.

3. GENERAL PRINCIPLES OF THE DIRECTORS' REMUNERATION POLICY OF SACYR, S.A.

The Remuneration Policy seeks to attract, retain and engage the best professionals, as well as to establish a relationship that is stable and which aims for long-term retention between remuneration, results and shareholder interests, contributing to the business strategy and the long-term interests and sustainability of the company and incorporating the necessary precautions to avoid excessive risk taking and the reward of unfavourable results.

In addition, when designing the Remuneration Policy, the economic environment, the Company's results, the strategy of the group headed by Sacyr (the "**Group**"), the legal requirements applicable to capital companies, best market practices and, to a large extent, the Recommendations for Good Corporate Governance have been taken into account.

Considering the foregoing, the remuneration policy is based on the following principles and criteria:

- Suitability: The compensation must be sufficiently incentivising both to assume the tasks of the executive directors, and to attract external talent in terms of the directors in their capacity as such, adequately compensating their dedication, qualification and the responsibilities assumed.
- Moderation: Care is taken so that the compensation is moderate in relation to market standards. In this regard, in order to facilitate this objective, a maximum limit of two million nine hundred thousand euros (€2,900,000) is maintained, for the group of directors in their capacity as such, authorised by the Sacyr General Meeting of 2006 and maintained by the previous Sacyr Remuneration Policies approved by the 2016 General Meeting and by the 2019 General Meeting.
- Proportion: Directors are compensated based on their assumption of responsibilities and functions within the Board of Directors, so that those who preside over or participate in Committees can obtain greater remuneration.
- Prudent management of the risk inherent in the remuneration: The remuneration of the directors in their capacity as such is not directly linked to the results of the company, thus avoiding conditioning decision-making; all in accordance with the Recommendations for Good Corporate Governance.
- Transparency: The need is established for transparency in the processes of proposal, design, setting and approval of policies, models and amounts related to the remuneration of its directors.
- Competitiveness: In relation to the market standards of the companies in the sector in which the Company operates.
- Strategic: It is designed to contribute to the development of the Company's business strategy and long-term interests and sustainability.

The Remuneration Policy differentiates the compensation system applicable to directors who perform their role in their capacity as such, from those who perform executive functions in the Company.

4. CHARACTERISTICS OF THE DIRECTORS' REMUNERATION POLICY

4.1. Characteristics of the Directors' Remuneration Policy in their capacity as such

The application of the above principles on the remuneration system for directors in their capacity as such causes it to have the following characteristics:

- It is aligned with the standards regarding corporate governance and market circumstances in view of the characteristics of the Company and its activity.

The Company, when setting the structure and remuneration levels of directors, analyses the compensation market practices of other listed business groups and obtains the advice of specialised consultants.

- It is an incentivizer and compensates dedication, qualification and responsibility, depending on the positions and responsibilities assumed by each director on the Board of Directors and in its Committees.
- Directors in their capacity as such do not have a variable compensation system, following the Recommendations of Good Corporate Governance.

4.2. Characteristics of the Executive Directors' Remuneration Policy

The remuneration system of the director who performs executive functions in the Company is based on the following general principles and fundamentals:

- The remuneration for the performance of executive functions is in addition to the remuneration that the director may receive as a member of the Board of Directors.
- It takes into account market trends in relation to the overall remuneration structure and amount, and is positioned against it in accordance with the Company's strategic approach, being competitive in relation to other comparable entities in order to be able to attract, retain and motivate the best professionals.
- Variable remuneration is more relevant within the total remuneration, as variable remuneration is included in the medium and long term, in line with Good Corporate Governance Recommendations.
- Variable compensation is tied to the achievement of medium and long-term objectives. This reduces risk exposure and adjusts the remuneration policy to the Company's long-term goals, values and interests.
- Under no circumstances will such compensation threaten the Company's ability to maintain its solvency and financial situation.

The compensation policy is therefore oriented towards the generation of value for the Company, seeking alignment with the interests of shareholders and long-term sustainability, with prudent risk management and with strict compliance with current regulations on the remuneration of directors.

As part of the compensation programmes applicable to the management team, the principles and criteria of the remuneration policy of the executive directors are periodically reviewed by the Appointments and Compensation Committee and the Board of Directors, in order to keep the Company's remuneration policy aligned with best practices and market trends, as provided for in the aforementioned Article 17.7.h) of the Regulations of the Board of Directors of Sacyr, S.A.

5. COMPENSATION STRUCTURE OF THE DIRECTORS IN THEIR CAPACITY AS SUCH

In accordance with the aforementioned Article 43.1 of the Company's Bylaws, the directors in their capacity as such shall be entitled to receive compensation from the Company consisting of a fixed annual amount. The maximum total amount of the compensation of the directors in their capacity as such will be set by the General Meeting, and will remain in force until its modification is agreed. The individual amount for the directors is decided by the Board of Directors within the overall amount agreed by the General Meeting.

The General Meeting, when approving the Remuneration Policy, establishes the maximum amount of annual remuneration to be paid to the directors in their capacity as such. Likewise, the Board of Directors will be responsible for modifying and assigning the compensation of the members of the Board of Directors for their status as such, which may not be the same for all its members, for which it will take into account and assess the functions and responsibilities attributed to each director, as well as the other objective circumstances that the Board of Directors deems relevant.

It is the responsibility of the Board of Directors, within the limit set by the General Meeting, to set the specific amount to be received by each director, for which it will consider (i) the positions they hold within said body; (ii) the characteristics concurrent therein; or (iii) their membership or otherwise, and degree of responsibility, in the different committees.

In accordance with the provisions of Article 529 septdecies of the LSC (Ley de Sociedades de Capital [Capital Companies Law]), it is hereby stated for the record that the maximum annual amount that Sacyr may pay to all directors in their capacity as such will be two million nine hundred thousand euros (€2,900,000). This amount will remain in effect until the General Shareholders' Meeting resolves to change it. As indicated above, its distribution will be made, individually by the Board that, within the fixed limit, must distinguish the amounts attributed to each director, taking into account the functions and responsibilities entrusted to each of them, accounting for this in the Annual Report of Remuneration of the Directors that will be submitted annually to the consultative vote of the General Shareholders' Meeting.

6. EXECUTIVE DIRECTOR COMPENSATION STRUCTURE

As stated above, Article 43.2 of the Articles of Association establishes that directors who, in addition to their supervisory and collegiate decision work, carry out executive functions within the Company, will be entitled to receive, for such functions, and in the terms previously agreed by the Board of Directors, additional compensation to the items described in section 5 of the Remuneration Policy.

In accordance with the aforementioned Article 43.2 of the Corporate Bylaws, the compensation system of the directors who perform executive functions, whose powers currently are held by the chair and chief executive officer of Sacyr (the "Executive Director"), is composed of the following elements:

- "a) a fixed portion, relating to the services and responsibilities assumed;*
- b) a variable portion, correlated with some indicator of the director's or the company's performance;*
- c) a healthcare portion, which will include the appropriate benefit and insurance systems;*
- d) indemnification in the event of (i) termination not due to breach attributable to the director or (ii) resignation for reasons beyond the control of the director, as well as*
- e) remuneration for exclusivity, post-contractual non-competition agreements and permanence or loyalty".*

The executive directors may also be compensated with the delivery of shares of the Company, options on them or compensation linked to the value of the shares. This compensation must be agreed by the General Meeting.

It is the responsibility of the Board of Directors to determine the compensation of the Executive Director, as well as the specific amount of each of the aforementioned remuneration items, after a report from the appointments and compensation committee and in accordance with the terms and conditions established in his contract. The Board of Directors shall ensure that the compensation is guided by the market conditions and takes into account the responsibility and degree of commitment involved in the role that the executive director carries out.

6.1. Fixed remuneration

The Executive Director's fixed compensation ("Fixed Reference compensation") for the performance of his executive functions reflects his level of responsibility in the Company, the position he holds and his professional experience, ensuring its competitiveness with respect to that existing in companies comparable to Sacyr, S.A.

In this regard, the annual Fixed Reference Compensation of the Executive Director consists of the following elements:

- Fixed monetary compensation, set for the year 2022 at one million six hundred seventy-six thousand eighty-four euros (€1,676,084) by the Board of Directors, after receiving a report from the appointments and compensation committee. For 2023, it will be €1,743,128 gross euros per year.

The Board of Directors, after receiving a report from the Appointments and Compensation Committee, may review the established fixed monetary compensation, taking into account all or any of the following circumstances: (i) the responsibilities of the Executive Director, (ii) the remuneration practices of other listed business groups, (iii) the evolution of the Company or (iv) the salary bands provided for in Sacyr's compensation policy for its executive team. An update that, if applicable, will entail the corresponding contractual novation, and must be reflected in the Annual Compensation Report that is submitted annually to a consultative vote of the General Meeting. This review must be carried out, where appropriate, within the maximum limit of a fixed monetary compensation of two million euros (€2,000,000) per year.

- Payments for *leasing or renting* the automobile corresponding to the Executive Director according to the Company's current policy.

6.2. Variable compensation

6.2.1. Annual variable compensation

Annual variable compensation is set up as a goal management programme through which specific goals are set, tracked and met. The programme is annual in nature and is established with the purpose of rewarding the performance and achievement of the Company's economic-financial and strategic objectives.

Under that programme, the Executive Director shall be entitled to receive an annual variable remuneration in cash for the provision of his services. The objectives are set annually by the Board of Directors, at the proposal of the Company's Appointments and Compensation Committee.

The reference figure for determining the variable compensation shall be equal to 100 per cent of the Fixed Reference remuneration in force at any given time.

The specific amount of the variable compensation will be determined annually by the Board of Directors, following a report from the Appointments and Compensation Committee, based on the degree of compliance by the Executive Director with the objectives set for his position, and will range from a minimum of 70 per cent to a maximum of 130 per cent of the Reference Compensation. However, the Board of Directors, following a report from the Appointments and Compensation Committee, may modify the maximum annual variable compensation amount by 15 per cent upwards or downwards.

Each and every objective has been established in a way that is fully aligned with the company's Strategic Plan. The objectives have indicators, metrics and weightings that are proposed by the Appointments and Compensation Committee and approved by the Board of Directors. Each metric is associated with a defined achievement scale based on its variability and level of demand. These scales have a minimum compliance threshold (70%) below which no right to an incentive is generated and a maximum of 130%. Thus, to ensure optimal balance, the objectives are framed in the following sections: i. Performance of the Company and contribution of value to the shareholder; ii. Strategy; and iii. People, diversity and sustainability.

To carry out such review, the Board of Directors may consider any or all of the following circumstances: (i) the responsibilities of the Executive Director, (ii) the compensation practices of other listed business groups, (iii) the progress of the Company or (iv) the salary bands provided for in Sacyr's remuneration policy for its executive team.

The review that is carried out, if applicable, shall be reflected in the Annual Remuneration Report that is annually submitted to a consultative vote of the General Meeting.

The degree of compliance and the amount of the annual variable compensation having been determined by the Board of Directors, the payment thereof will occur on the date that is applicable in accordance with the Company's policies.

The Company may make, upon agreement of the Appointments and Compensation Committee, payments on account of the annual variable compensation. However, if once the time for the final payment thereof has arrived, it is verified that the Executive Director has received an amount greater than that which would correspond to him, he will be obliged to return the excess annual variable compensation. Likewise, the Appointments and Compensation Committee may propose to the Board of Directors the cancellation or return of the Annual Variable Compensation, in whole or in part, in the event that said compensation has been accrued or paid based on inaccurate or erroneous information or data, or there have been breaches of the internal regulations of the Company or applicable legislation, provided that these facts can be proven.

The contract with the Executive Director shall regulate the amount of the Annual Variable Compensation that would correspond in the event of an early termination of the contract.

6.2.2. Long-term variable compensation

The Board of Directors has approved a long-term incentive plan (the "ILP, Incentivos a Largo Plazo"), consisting of a Multi-Year Bonus linked to the achievement of objectives established in the 2020-2025 Strategic Plan.

The ILP is a variable and non-consolidable compensation system, relating to the management team, as well as the directors of the company who carry out executive functions and whose objectives are: i) to incentivise key personnel of the Company and who have high potential (ii) to maximise the value of Sacyr and its affiliated companies by allowing the management team to benefit from the results of its management, linking it to the Strategic Plan (iii) to reward the tenure of the eligible management team and (iv) to offer the eligible management team a remuneration element in line with market best practices, and that supports the implementation of a remuneration policy with internal equity and external competitiveness.

The duration is expected to be six years and is divided into five overlapping and independent cycles, with the first lasting two years, and the rest lasting three years, according to the following breakdown:

First cycle:	2020-2021 Period
Second cycle:	2020-2022 Period
Third cycle:	2021-2023 Period
Fourth cycle:	2022-2024 Period
Fifth cycle:	2023-2025 Period

The incentive will be paid 50 per cent in cash and the other 50 per cent in shares on the date on which the Board of Directors, at the proposal of the Appointments and Compensation Committee, determines said amount after analysing the fulfilment of the objectives.

The ILP is conditioned on the fulfilment of the EBITDA, BDI and Total Return for Shareholder objectives established in the 2020-2025 Strategic Plan, and in which the company has at any given time, and the individual performance of the beneficiary.

For the fifth and final cycle (Period 2023-2025), it is planned to include objectives linked to Sustainability aligned with market practice.

The Board of Directors shall have the power to advance part of the payment in the event that the achievement of a relevant part of the parameters of the 2020-2025 Strategic Plan occurs before the end of the period.

The Appointments and Compensation Committee may propose to the Board of Directors the cancellation or return of the Incentive, in whole or in part, in the event that said Incentive has been accrued or paid based on inaccurate or erroneous information or data, or there have been breaches of the internal regulations of the Company or the applicable legislation, provided that these facts can be proven.

The ILP Regulation regulates the conditions of payment of the incentive in the event of termination of the relationship between the beneficiary and Sacyr due to his death, permanent invalidity, termination without justified cause, as well as in the event of a change of control.

The Board of Directors may approve in successive years other long-term remuneration plans of characteristics and amount similar to the ILP, after receiving a report from the Appointments and Compensation Committee and, where appropriate, subject to the approval of the General Shareholders' Meeting, if the aforementioned remuneration plans are paid by the delivery of shares or are referenced to their value.

6.2.3. Supplemental Variable Compensation

The Board of Directors has approved a Supplemental Variable Compensation Plan (RVC, Retribución Variable Complementario) linked to the stock appreciation of the Company.

The Supplemental Variable Compensation Plan is a non-consolidable compensation plan, linked to the increase in value of the Company's stock that includes the management team as beneficiaries, as well as the directors of the company who carry out executive functions, and which gives them a percentage on the increase in the Company's market capitalisation, which may give rise, to the extent that such increase exceeds at least 75 percent, to a supplementary variable compensation that would be paid in shares.

The Supplemental Variable Compensation Plan covers the 2021-2025 Strategic Plan period. Therefore, the period to be considered for calculating stock appreciation will be from 1 January, 2021 to 31 December, 2025.

The final amount to be received in shares will vary depending on the increase in the market capitalisation of the Company.

The maximum total cost of the Plan may reach up to 1.8 per cent if the market capitalisation of the Company reaches 150 per cent of the initial capitalisation at the end of the Plan, taking into account the following values:

- i. market capitalisation as at 1 January 2021 (in millions of euros):
1,221.
- ii. market capitalisation in December 2025 (in millions of euros):
3,052.5.

- iii. Notional maximum amount to be received: 16,323,443 shares (taking as reference a share value of 2.02 euros as of 1 January 2021).
- iv. The amount to be received in shares will be calculated by applying the following percentages on the cost of revaluation in the market capitalisation of the Company: chief executive officer 1.2 percent and the first level management committee and management team 0.60 percent.
- v. Additionally, in the event that the appreciation of the Company's market capitalisation is greater than 150 per cent with a cap of 200 per cent, the chief executive officer shall be entitled to an additional 0.25 per cent, which would result in 2,267,145 additional shares.

The Plan will be paid in thirds in 2026, 2027 and 2028, based on the increase in the Company's market capitalisation, the average individual performance and conditional on meeting the sustainability objectives established within the framework of the Company's Strategic Plan.

6.3. Healthcare compensation

The Executive Director's healthcare compensation will consist of the following elements:

(i) Health Insurance. Health care insurance policy with reimbursement of medical expenses in favour of the Executive Director along with his family members (spouse and dependent children).

(ii) Savings Plan. An annual contribution to a group life insurance contract that implements the Healthcare Compensation, adapted to the legal nature of the Executive Director's relationship, for the coverage of survival contingencies (the age at which he voluntarily accesses legal retirement), death and permanent disability to any degree.

The beneficiary of such insurance shall be the Executive Director or his designees for death coverage.

The annual contribution in the form of a premium to the insurance for the coverage of the survival contingency (up to the age at which the Executive Director voluntarily accesses legal retirement) will be 28 percent of the total compensation accrued by the Executive Director in the immediately preceding fiscal year.

(III) Life Insurance. Additionally, group life insurance is taken out for the coverage of death and permanent disability contingencies, equivalent to a capital of two million two hundred fifty thousand euros (2,250,000 euros). For its coverage, the Company shall pay annually the premium amount corresponding to the insurance.

6.4. Severance Pay

The contract between the Executive Director and the Company establishes compensation in the event of (i) termination not due to breach attributable to the Executive Director or (ii) resignation for reasons beyond the Executive Director's control, which amounts to a gross amount equal to a maximum of 2.5 times the sum of the fixed remuneration and the variable remuneration received during the fiscal year immediately prior to that in which the event that would entitle such compensation occurs.

6.5. Remuneration for post-contractual non-competition agreements

During the period of two years following the date of termination of the contract, unless such termination is for voluntary access to retirement, death or incapacity or resignation or termination in the event of a cause attributable to the Executive Director, he may receive an amount equivalent to 1.5 times the fixed remuneration, received in the twelve months prior to the date of termination of the contract, as a post-contractual non-competition pact, that will be paid during the non-competition period.

6.6. Dedication Programme

The Board of Directors has approved a dedication programme, aimed at both directors and board members of the company who carry out executive functions whose objective is to recognise the relationship and dedication to the Company throughout the provision of services of those who have remained in the company for more than 30 years and who have held management positions or exercised executive functions in the last 10 years.

The programme will be granted only once and will be paid in full on the date on which the event that leads to its payment occurs.

The determination of the final amount to be received will be calculated based on the fixed compensation, variable compensation and the ILP programme, in the case of the chief executive officer.

The programme will be granted at the time that the management functions or the functions of chief executive officer are no longer performed, and its payment is completely incompatible with the payment of other types of compensation.

7. TERMS OF THE EXECUTIVE DIRECTOR'S CONTRACT

The compensation, rights and obligations of the Executive Director are determined in his contract, approved by the Board of Directors, and whose conditions are:

- The duration of the contract with the Executive Director is indefinite.
- The Executive Director is committed to full dedication to Sacyr and its Group.

Consequently, and unless expressly authorised by the Board of Directors of the Company, the Executive Director may not provide services, on his own behalf or on behalf of others, or carry out another profession or occupation, either in a paid or free manner, that may (a) undermine the performance of his functions or (b) subtract time or dedication from the performance required for a position such as that of the nature he performs.

- Severance Pay: described in section 6.4. of the Remuneration Policy.
- Post-contractual non-competition agreement: described in section 6.5. of the Remuneration Policy.
- Dedication Programme: described in section 6.6. of the Remuneration Policy.

8. OTHER CONSIDERATIONS

In accordance with Article 43.5 of the Articles of Association, Sacyr has taken out a civil liability insurance policy for directors and directors of the Sacyr Group and therefore covers the directors and executives of the Company, including the Executive Director.

The compensation system described above for the Executive Director shall apply to any director who may join the Board of Directors to perform executive functions during the term of the Remuneration Policy, with the appropriate adaptations determined by the Appointments and Compensation Committee and the Board of Directors based on the concurrent circumstances.

9. DURATION OF THE REMUNERATION POLICY

In accordance with the provisions of Article 529 *novodecies*, section 1, it is hereby stated that this Remuneration Policy will be applicable from the date of its approval, and during the following three fiscal years (2023, 2024 and 2025).

Any modification or replacement thereof during said period will require the prior approval of the General Shareholders' Meeting in accordance with the procedure established for its approval.

ANNEX

REPORT OF THE APPOINTMENTS AND COMPENSATION COMMITTEE IN RELATION TO THE PROPOSAL FOR MODIFICATION OF THE 2023, 2024 and 2025 DIRECTORS' REMUNERATION POLICY REFERRED TO IN THE SIXTH POINT OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR 14 JUNE AND 15 JUNE, 2023, IN THE FIRST AND SECOND CALL, RESPECTIVELY

1. Background and justification for the modification

The current and in force Directors' Remuneration Policy of Sacyr, S.A. applicable for the fiscal years 2023, 2024 and 2025 was approved by the General Meeting held on 28 April, 2022 and entered into force from that date.

In accordance with the Capital Companies Law ("**LSC**"), in particular Article 529 *novodecies*, section 3, it is foreseen that proposals for the modification of the directors' remuneration policies will require the prior agreement of the General Meeting in accordance with the procedure established for their approval.

The Company's Appointments and Compensation Committee ("**CNR**") in accordance with the provisions of Article 529 *novodecies* and Article 17 of the Regulations of the Board of Directors of Sacyr, S.A. has the power to propose to the Board of Directors the Remuneration Policy for directors and general directors and, in accordance with Article 529 *novodecies* section 3 of the LSC to report on the proposals for modification of the Remuneration Policy that the Board of Directors submits for approval to the General Meeting.

The Appointments and Compensation Committee, as it does every year and within the improvement of good corporate governance practices, has reviewed the content of the compensation scheme of the directors and executive directors, as well as the content of the Remuneration Policy itself approved at the 2022 General Shareholders' Meeting and after a thorough analysis proposes the following modifications:

1. In relation to the compensation scheme of the executive director, eliminate the Extraordinary Variable Compensation provided for in the Policy and in his contract.
2. Secondly, to introduce certain changes to the description of the rest of the elements of the compensation system so that the following items are more clearly recorded:
 - c. The existence of the formulas or clauses of the remuneration (malus) or recovery of the variable components of the remuneration (clawbacks). (See section 6.2.2.)
 - d. Regarding the objectives and some characteristics of the variable compensation. (See section 6.2.3.)
3. The update of some figures and concepts to the year 2023.



Consequently, for all of the above, it is necessary to submit to the General Meeting that will be held in June 2023 the approval of the modification of the "Directors' Remuneration Policy of Sacyr, S.A.", on the basis of the proposal made by the Board of Directors, after a specific report from the Appointments and Compensation Committee.

For this purpose, the Appointments and Compensation Committee formulates this specific report and proposes the following modifications to the Directors' Remuneration Policy of Sacyr, S.A.

Madrid, 4 May, 2023.