



## **REPORT OF THE BOARD OF DIRECTORS OF SACYR, S.A. IN RELATION TO THE PROPOSALS TO CARRY OUT TWO CAPITAL INCREASES, WITH A CHARGE TO PROFIT OR RESERVES AND WITH A PURCHASE COMMITMENT FOR BONUS ISSUE RIGHTS, REFERRED TO IN SECTIONS 12.1 AND 12.2 OF ITEM TWELVE ON THE AGENDA OF THE GENERAL MEETING CALLED FOR 10 JUNE AND 11 JUNE 2020, AT FIRST AND SECOND CALL, RESPECTIVELY**

The purpose of this report is to justify the two proposed capital increases with a charge to profit or reserves ("script dividend"), which are to be submitted for approval at the General Shareholders Meeting of Sacyr, S.A. (the "**Company**") under sections 12.1 and 12.2 of item twelve on its agenda, all in accordance with sections 286, 296 and 297.1.a) of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*).

In order to facilitate the understanding of the transaction behind this proposal, shareholders are first given a description of the purpose and justification for the proposed increases, after referencing the regulatory framework. Below is a description of the main terms of the two capital increases with a charge to profit or reserves that are the subject matter of this report.

### **1. Regulatory framework**

Section 295 of the Corporate Enterprises Act stipulates that share capital may be increased by creating or issuing new shares or by raising the par value of existing shares; in both cases the capital increase may be carried out with a charge to, among others, profits or reserves already recognised in the last approved balance sheet.

Within the regulatory framework for public companies, section 297.1.a) of the Corporate Enterprises Act establishes that the General Meeting, with the requirements established for amending the Articles of Association, may delegate to the directors the power to set the date on which the resolution already passed to increase share capital must be carried out and to establish the terms of the increase for all matters not provided for in the General Meeting resolution. The term for the exercise of this delegated power may not exceed one year, except in the case of the conversion of debt instruments into shares. Section 296 of the Corporate Enterprises Act provides that any resolution to increase share capital must be passed by the General Meeting in accordance with the requirements established for amending the Articles of Association.

In relation to the requirements established for amending the Articles of Association, section 286 of the Corporate Enterprises Act indicates that the directors must draft the entire text of the proposed amendment and, for public companies, a written report justifying the amendments must be drawn up.

This report meets to the above-mentioned requirements.

### **2. Purpose, justification and structure of the proposal**

#### **2.1 Purpose and justification**

In light of the current situation of the capital markets, it is recommended that companies maintain their equity and cash structure; however, this recommendation should not prevent them from meeting one of their main obligations to their shareholders, namely the possibility of remuneration, if they have the means to do so.

The main trends followed in terms of shareholder remuneration by IBEX-35 companies have been implemented in remuneration, flexible dividend or script dividend programmes; these programmes, which are structured through capital increases with a charge to profit or reserves and with commitments by the companies to purchase bonus issue rights, enabled shareholders to be compensated in cash, if they so wished, or to receive company shares with the tax treatment of bonus shares.

With these remuneration plans:

(i) Shareholders are remunerated as they may, if considered necessary, sell their bonus issue rights on the market or to the Company itself (which makes a firm commitment to purchase them).

(ii) It allows for the possibility of maintaining the equity structure (to a greater extent than if dividends were distributed), insofar as there may be shareholders that choose to maintain their interest in the share capital and not sell their bonus issue rights to the Company.

## **2.2 Structure of the proposal**

The two proposals subject to approval at the General Meeting under item twelve (sections 12.1 and 12.2) on the agenda consist of offering the Company's shareholders the option to receive, at their choice, either bonus shares of the Company or an amount in cash.

These offers are structured through two capital increases with a charge to reserves (the "**Capital Increases**"), which include a commitment by the Company to purchase the resulting bonus issue rights within the framework of the increase.

However, as the two Capital Increases are for the purpose described in section 2.1 above, both may be carried out simultaneously or independently on different dates and the Company may even decide not to carry out one or both, in which case the corresponding Capital Increase would be rendered null and void.

When the Board of Directors (with express powers of delegation) decides to carry out one of the Capital Increases:

(i) The Company's shareholders will receive a bonus issue right for each share that they hold. These rights may be traded and, therefore, may be sold under the same terms as the shares from which they derive on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Spanish Stock Market Interconnection System, for a period of at least fifteen calendar days, at the end of which the rights will be automatically converted into newly issued shares, which will be allocated to those that held the aforementioned bonus issue rights at that time.

(ii) In addition, the Company will assume, under the terms indicated below, an irrevocable commitment to purchase the bonus issue rights (only those received free of charge by the Company's shareholders, not in relation to the issue rights purchased or otherwise acquired in the market) at a fixed price (the "**Purchase Commitment**"). This fixed price will be calculated prior to the beginning of the trading period for the bonus issue rights of the Capital Increases in accordance with that indicated in the resolution. The Company therefore guarantees that all shareholders will be able to monetise their rights if they do not wish to receive new shares.

Therefore, when each of the Capital Increases is carried out, the shareholders may choose freely between the following options:

(a) Not to sell their bonus issue rights. In this case, at the end of the trading period the shareholder will receive the corresponding number of new bonus shares.

(b) To sell all or part of their bonus issue rights to the Company under the Purchase Commitment at a guaranteed fixed price for each Capital Increase. Therefore, the shareholder would choose to monetise their rights.

(c) To sell all or part of their bonus issue rights on the market.

In this case, the shareholder would also choose to monetise their rights, although they would not receive a guaranteed fixed price, but rather the consideration for the rights would depend on market conditions in general, and on the share price of the rights in particular.

In the Capital Increases, the Company's shareholders may combine any of the alternatives mentioned in paragraphs (a) to (c) above.

It should be noted in this regard that the aforementioned alternatives receive different tax treatment, as described in section 4.

### 3. Characteristics of the Capital Increases

The Capital Increases have the following basic characteristics:

(i) Amount of each Capital Increase, number of shares to be issued and number of bonus issue rights:

The amount of each Capital Increase and the specific number of shares to be issued will be set by the Board (with express powers of delegation), within the maximum limit approved for the Capital Increase. In any case, the maximum nominal amount of each Capital Increase will never exceed €18,000,000 (the "**Maximum Amount of each Increase**").

The final amount in each Capital Increase will be set by the Board (with express powers of delegation) within the limit of the Maximum Amount of each Increase.

The Maximum Amount of each Increase may be used in full or in part, as decided by the Board.

The shares in each Capital Increase (the "**New Shares**") will have a par value of one euro (€1) each and will be represented by book entries, whereby Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and other participating entities will account for and register the shares in accordance with current regulations at any given time. The New Shares will be issued at par value, without any share premium.

Both the amount of each Capital Increase and the number of New Shares will be made public by means of a communication of relevant information to be sent to the Spanish National Securities Market Commission.

(ii) Incomplete allocation or subscription:

Section 311 of the Corporate Enterprises Act provides for the possibility of an incomplete allocation or subscription in each Capital Increase in the event that the Company, any company in its group or a third party waives all or part of the bonus

issue rights it holds when the Capital Increase is carried out, and therefore, if these rights are waived, the share capital will be increased by the corresponding amount.

(iii) Rights of the new shares:

The New Shares in each Capital Increase will be of the same class and series, and carry the same rights as those currently outstanding and will confer on their holders, as from the date of issue, the same rights as the Company's other shares.

(iv) Consideration:

Each Capital Increase will be carried out in full against profit or reserves, as provided for in section 303.1 of the Corporate Enterprises Act, for which purpose the Board of Directors will be empowered (with powers of delegation) to determine the specific profit or reserve accounts or subaccounts against which the increase is to be carried out.

(v) Balance sheet of the transaction:

For the purposes of section 303 of the Corporate Enterprises Act, the Company's annual balance sheet as at 31 December 2019, duly audited, will be considered to be the balance sheet for the purpose of each Capital Increase, and will be submitted for approval at the same Annual General Meeting as that at which the two Capital Increases will be submitted. This balance sheet therefore refers to a date within the six months immediately prior to the Capital Increases.

(vi) Bonus issue rights:

Each of the Company's outstanding shares will grant one bonus issue right.

The number of bonus issue rights necessary to receive one new share in each Capital Increase ("**DAG**") will be equal to the result of dividing (i) the number of the Company's outstanding shares on the date on which the Board of Directors, with express powers of delegation, resolves to carry out each Capital Increase ("**NACirc**") by (ii) the number of New Shares to be issued as a result of the corresponding Capital Increase ("**NAN**"), rounded to the nearest whole number and, if the result is exactly half a whole number, to the next whole number, if the result is not a whole number.

The number of bonus issue rights necessary to receive one New Share for each Capital Increase will be made public by means of a communication of relevant information to be sent to the Spanish National Securities Market Commission.

If the number of bonus issue rights necessary to receive one New Share (DAG) multiplied by the number of New Shares to be issued (NAN) results in a number less than the number of the Company's outstanding shares on the date on which the Capital Increase in question is carried out (NACirc), the Company (or a Group company that, where applicable, holds shares in the Company) will waive a number of bonus issue rights equal to the difference between the two figures, for the sole purpose of making the number of New Shares a whole number and not a fraction.

Bonus issue rights will be allocated to those that appear in the share register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) on the corresponding date in accordance with applicable current law. Bonus issue rights may be traded during the period determined by the Board (with express powers of delegation), with a minimum of fifteen calendar days. During that period, sufficient bonus issue rights may be acquired on the market in the necessary proportion to receive New Shares.

(vii) Irrevocable purchase commitment

When each Capital Increase is carried out, the Company will assume, at the price indicated below, an irrevocable commitment to purchase the bonus issue rights allocated in the corresponding Capital Increase from those who receive the rights free of charge as a result of appearing in the share register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), on the corresponding date in accordance with the rules for the clearing and settlement of securities that apply at any given time (the "**Purchase Commitment**").

The Purchase Commitment will only cover the bonus issue rights received by the Company's shareholders free of charge, not those purchased or otherwise acquired on the market, and will be valid and may be accepted during such time, within the trading period of the rights, as may be determined by the Board (with express powers of delegation).

The Purchase Commitment corresponding to each Capital Increase will be valid and may be accepted during such time that, within the trading period of the rights, is determined by the Board, with express powers of delegation. This period will be made public by means of a communication of relevant information to be sent to the Spanish National Securities Market Commission.

The Company will be authorised to acquire such bonus issue rights, with a maximum limit of the total rights issued in the Capital Increase, and must comply with the legal limits imposed in all cases.

The "**Purchase Price**" in each Capital Increase will be the fixed price at which the Company will acquire each bonus issue right under the respective Purchase Commitment and will be calculated in accordance with the following formula, rounding the result up to the nearest thousandth of a euro and, in the case of half a thousandth of a euro, to the next thousandth of a euro:

$$\text{Purchase Price} = ((\text{Share price} * \text{NACirc}) / (\text{NACirc} + \text{NAN})) / \text{DAG}$$
where

(i) "**Share Price**" will be equal to the arithmetic mean of the weighted average prices of the Company's shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Spanish Stock Market Interconnection System (Continuous Market) on the five trading days prior to the date of the corresponding resolution passed by the Board (with express powers of delegation) to carry out each Capital Increase.

(ii) "**NACirc**" is the number of the Company's outstanding shares on the date on which the Board of Directors, with express powers of delegation, resolves to carry out the corresponding Capital Increase.

(iii) "**NAN**" is the maximum number of New Shares to be issued in accordance with the amount of the corresponding Capital Increase set by the Board (with express powers of delegation).

(iv) "**DAG**" is the number of bonus issue rights necessary to receive one New Share.

In each Capital Increase, the Company will waive the New Shares corresponding to the bonus issue rights acquired in application of the aforementioned Purchase Commitment, increasing the share capital exclusively by the amount corresponding to the bonus issue rights that have not been waived.

The acquisition by the Company of the bonus issue rights as a result of the Purchase Commitment will be carried out with a charge to profit or reserves pursuant to section 303.1 of the Corporate Enterprises Act.

(viii) Admission to trading:

The admission to trading of all New Shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, and their inclusion in the Spanish Stock Market Interconnection System (Continuous Market) will be requested.

(ix) Other aspects to be considered

The Capital Increases will be carried out free of charges and fees with regard to the allocation of the new shares issued. The Company will assume the issue, subscription and admission to trading expenses in addition to any other costs related to each Capital Increase. Nevertheless, the Company's shareholders should bear in mind that the entities participating in Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A.U. (Iberclear) at which they have deposited their shares may, in accordance with current law, establish any administrative fees and expenses to be recovered as they may freely determine for the subscription of the new shares as a result of maintaining the securities in the share registers. Moreover, these participating entities may, in accordance with current law, establish any fees and expenses as they may freely determine for handling purchase and sale orders with regard to bonus issue rights.

(x) Delegation to the directors in accordance with section 297.1.a) of the Corporate Enterprises Act:

In accordance with section 297.1.a) of the Corporate Enterprises Act, a proposal has been put forth to delegate to the Board, with express powers of delegation, the power to set the date on which the Capital Increases must be carried out, within a maximum of one (1) year from when the resolutions are passed, and to redraft article 5 of the Company's Articles of Association as appropriate with regard to the new share capital figure and the number of shares into which it is divided, as well as all powers necessary or appropriate for the Capital Increase (including the power to refrain from carrying it out, in full or in part, if carrying it out in full or in part is not considered advisable), being expressly empowered, with express powers of delegation, to establish the terms of the increase for all matters not provided for in the General Meeting resolution.

## **4. Tax regime**

### **4.1 General aspects**

The main tax implications related to carrying out the Capital Increases are set out below, based on the current tax laws in place in the common territory and the interpretation made by the Spanish Directorate-General of Taxes through answers to several binding rulings in cases similar to this case.

The publication in the Spanish Official State Gazette of the Spanish Accounting and Audit Institute (ICAC) Resolution of 5 March 2019 led to a change in the tax treatment of this type of remuneration, as a result of a change in the accounting policies that had been applied, which affected taxpayers liable for corporation tax and non-resident income tax ("IRNR") that operate through a permanent establishment in Spain.

It should be noted that the tax regime described below is not intended to be applicable to shareholders residing in certain regions (including the Autonomous

Community of Navarre), who should consult their tax advisers with regard to any special features applicable in such regions.

Shareholders that are not residents in Spain should also consult their tax advisers on the effects deriving from the different options related to carrying out the Capital Increase, including the right to apply the double taxation treaties signed by Spain.

It should be noted that the taxation of the various options related to carrying out the Capital Increases described above does not explain all the possible tax consequences or potential future regulatory changes that may affect the applicable tax regime.

Shareholders are therefore recommended to consult with their tax advisors regarding the specific tax impact of the proposed scheme.

#### **4.2 Special considerations**

The delivery of the New Shares will be considered for tax purposes to be a delivery of bonus shares and, therefore, it will not give rise to income for the purpose of personal income tax ("IRPF") or non-resident income tax ("IRNR") when acting through a permanent establishment. The fact that these shareholders are not taxed means that no withholding or prepayments will be applicable.

The acquisition cost of both the new shares and the shares from which they derive will be obtained from distributing the total cost over the number of shares, both those outstanding and the corresponding bonus shares. The seniority of these bonus shares will be that corresponding to the shares from which they derive. Consequently, in the event they are subsequently sold, the income obtained will be calculated by reference to this new value.

Shareholders that choose to subscribe new shares and are subject to corporation tax and non-resident income tax, acting through a permanent establishment, will be taxed in accordance with that established in accounting regulations, recently amended by the ICAC Resolution of 5 March 2019, recognising an account receivable and the corresponding finance income (section 35.4 of the Resolution). As a result of the above, the issuer must make the corresponding withholding or prepayment on the gross amount of the rights (measured at the underlying carrying amount).

If shareholders sell their bonus issue rights on the market, and in the specific case of this programme, the amount obtained from selling these rights on the market will be subject to the tax regime indicated below:

(i) The amount obtained from selling the bonus issue rights will be considered capital gains for shareholders that are liable for personal income tax or non-resident income tax without a permanent establishment in Spain.

With regard to shareholders that are liable for personal income tax, these capital gains will be allocated to the tax period in which the aforementioned sale takes place and will be subject to personal income tax withholdings at the rate applicable at that time.

These personal income tax withholdings will be made by the corresponding custodian (and, failing this, by the financial intermediary or the notary public that took part in the sale of these rights).

Shareholders that are liable for non-resident income tax, without a permanent establishment in Spain, must confirm whether any of the tax benefits provided for in the double taxation treaties signed by Spain and to which they may be entitled apply to

them, as well as any of the exemptions established in the regulations on non-resident income tax.

(ii) Shareholders that are liable for corporation tax or non-resident income tax with a permanent establishment in Spain, since this establishment will close a full commercial cycle, will be taxed in accordance with the applicable accounting regulations and, where appropriate, any special tax exemptions or regimes applicable to the shareholders subject to these taxes. It should be noted that, as mentioned above, the applicable accounting regulations have recently been amended by the ICAC Resolution of 5 March 2019, and by virtue of section 35.4, shareholders must recognise the corresponding account receivable and financial income in their accounting records. Consequently, the issuer must make the corresponding withholding or prepayment.

Lastly, if the holders of the bonus issue rights decide to avail themselves of the Purchase Commitment, the proceeds from the sale to the Company of the bonus issue rights received as shareholders will be given the same tax treatment as the distribution of cash dividends and, therefore, they will be subject to the corresponding withholding and taxation.

## **5. Amendments to the Articles of Association**

The Capital Increase, if approved and carried out, will involve an increase in the Company's share capital and the number of shares into which it is divided and, therefore, article 5 of the Articles of Association must be amended.

As stated above, and pursuant to section 297.2 of the Corporate Enterprises Act, by virtue of the delegation of power, the Board of Directors will be empowered, with the possibility of delegation, to redraft article 5 of the Articles of Association with regard to the new share capital figure and the number of shares into which it is divided once the Capital Increase has been carried out.

## **6. Proposed resolution**

The proposed resolution to be submitted at the General Meeting in relation to sections 12.1 and 12.2 of item twelve on the agenda is attached as an **Appendix**.

### **APPENDIX**

**PROPOSED RESOLUTIONS TO BE SUBMITTED AT THE ANNUAL GENERAL MEETING OF SACYR, S.A. CALLED FOR 10 JUNE AND 11 JUNE 2020, AT FIRST AND SECOND CALL, RESPECTIVELY, AND APPROVED BY THE BOARD OF DIRECTORS OF SACYR, S.A.**

#### **ITEM TWELVE ON THE AGENDA:**

**Share capital increases with a charge to profit or reserves.**

**12.1 Approval of a first capital increase with a charge to profit or reserves ("scrip dividend"), for a maximum nominal amount of eighteen million euros (€18,000,000), through the issuance of new ordinary shares of one euro par value each, without a share premium, of the same class and series as those currently outstanding, for which the subscription/allocation is expected to be incomplete; subsequent amendment to the corresponding article of the Articles of Association; commitment to acquire the bonus issue rights at a guaranteed fixed price; application for admission to trading of the new shares issued; delegation of powers to the Board, with express powers of delegation, to establish the terms of the increase for all matters not provided for by this**



**General Meeting, to carry out the actions necessary for this capital increase, and to adapt the wording of article 5 of the Articles of Association.**

PROPOSED RESOLUTION:

*“To increase the share capital by a maximum nominal amount of eighteen million euros (€18,000,000), delegating to the Board the power to set the final amount of the capital increase within the aforementioned limit, through the issuance of new shares with a charge to profit or reserves, and under the terms described below:*

**1. Amount of the capital increase**

*The capital increase (the “**Capital Increase**”) will be for a maximum nominal amount of eighteen million euros (€18,000,000), delegating to the Board, with express powers of delegation, the power to set the final amount for which it will be carried out within the aforementioned limit*

**2. How the Capital Increase will be carried out**

*The Capital Increase will be carried out, where applicable, through the issuance new shares of the Company, which will be ordinary shares of one euro par value each, of the same class and series as those currently outstanding, represented by book entries (the “**New Shares**”).*

**3. Bonus issue rights**

*Each of the Company’s outstanding shares will grant one bonus issue right.*

*The number of bonus issue rights necessary to receive one New Share (“**DAG**”) will be equal to the result of dividing (i) the number of the Company’s outstanding shares on the date on which the Board of Directors, with express powers of delegation, resolves to carry out the Capital Increase (“**NACirc**”) by (ii) the number of New Shares to be issued as a result of the Capital Increase (“**NAN**”), rounded to the nearest whole number and, if the result is exactly half a whole number, to the next whole number, if the result is not a whole number.*

*If the number of bonus issue rights necessary to allocate one New Share (DAG) multiplied by the number of New Shares to be issued (NAN) results in a number less than the number of the Company’s outstanding shares on the date on which the Capital Increase is carried out (NACirc), the Company (or a Group company that, where applicable, holds shares in the Company) will waive a number of bonus issue rights equal to the difference between the two figures, for the sole purpose of making the number of New Shares a whole number and not a fraction.*

*Once the Board of Directors (with express powers of delegation) resolves to carry out the capital increase and has determined the corresponding dates, the bonus issue rights will be allocated to those that appear in the share register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) on the corresponding date in accordance with the current law applicable.*

*The holders of debentures convertible into Sacyr shares that may be outstanding on the date on which the Board of Directors, with express powers of delegation, resolves to carry out the Capital Increase will not obtain the bonus issue rights of the New Shares, notwithstanding any changes that may be made to the conversion ratio under the terms of each issue.*

The bonus issue rights (i) may be sold under the same terms as the shares from which they derive, and (ii) may be traded on the market during the period determined by the Board (with express powers of delegation), with a minimum of fifteen calendar days. During that period, sufficient bonus issue rights may be acquired on the market in the necessary proportion to receive New Shares.

Once the trading period for the bonus issue rights corresponding to the Capital Increase has ended, the following will be applicable:

(a) The New Shares will be allocated, in the proportion indicated in the previous sections, to those shareholders who hold the bonus issue rights in accordance with the share registers kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and its participating entities.

(b) The Board of Directors (with express powers of delegation) will declare the trading period for the bonus issue rights to be closed and the account(s) indicated for the Capital Increase will be charged for accounting purposes, in the appropriate amount, with payment being made when the account(s) are charged.

Likewise, once the trading period for the bonus issue rights has ended, the Board of Directors, with express powers of delegation, will pass the corresponding resolutions to amend the Articles of Association to reflect the new share capital figure and the number of shares resulting from carrying out the Capital Increase and the application for admission to trading of the resulting New Shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Spanish Stock Market Interconnection System (Continuous Market).

#### **4. Incomplete allocation and incomplete increase**

Section 311 of the Corporate Enterprises Act provides for the possibility of an incomplete allocation or subscription of the Capital Increase in the event that the Company, any company in its group or a third party waives all or part of the bonus issue rights it holds when the Capital Increase is carried out, and therefore, if these rights are waived, the share capital will be increased by the corresponding amount.

#### **5. Consideration for the Capital Increase**

Pursuant to section 303.1 of the Corporate Enterprises Act, the Capital Increase will be carried out entirely with a charge to profit or reserves. When carrying out the Capital Increase, the Board of Directors, with express powers of delegation, will determine the profit or reserve account(s) to be used and the amount thereof in accordance with the balance sheet on which the transaction is based.

#### **6. Type of issue for the New Shares**

The New Shares will be issued at par value, i.e. at a par value of one euro each, without a share premium, and will be allocated to the Company's shareholders free of charge.

#### **7. Deadline for carrying out the Capital Increase**

The Capital Increase may be carried out, within one year following the date on which this resolution is passed, by the Board, with express powers of delegation, at its sole discretion and, therefore, without having to once again obtain approval at the General

Shareholders Meeting, and in accordance with the legal and financial conditions existing when the increase is carried out.

### **8. Irrevocable commitment to purchase bonus issue rights**

The Company will assume, at the price indicated below, an irrevocable commitment to purchase the bonus issue rights allocated in the Capital Increase from those who receive such rights free of charge as a result of appearing in the share register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), on the corresponding date in accordance with the rules for the clearing and settlement of securities that apply at any given time (the "**Purchase Commitment**").

The Purchase Commitment will only cover the bonus issue rights received by the Company's shareholders free of charge, not those purchased or otherwise acquired on the market.

The Purchase Commitment corresponding to the Capital Increase will be valid and may be accepted during such time that, within the trading period of the rights, is determined by the Board, with express powers of delegation. For this purpose, the Company will be authorised to acquire such bonus issue rights, with a maximum limit of the total rights issued in the Capital Increase, and must comply with the legal limits imposed in all cases.

The "**Purchase Price**" will be the fixed price at which the Company will acquire each bonus issue right under the Purchase Commitment and will be calculated in accordance with the following formula, rounding the result up to the nearest thousandth of a euro and, in the case of half a thousandth of a euro, to the next thousandth of a euro:

$$\text{Purchase Price} = ((\text{Share price} * \text{NACirc}) / (\text{NACirc} + \text{NAN})) / \text{DAG}$$

Where

(v) "**Share Price**" will be equal to the arithmetic mean of the weighted average prices of the Company's shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Spanish Stock Market Interconnection System (Continuous Market) on the five trading days prior to the date of the corresponding resolution passed by the Board (with express powers of delegation) to carry out the Capital Increase.

(vi) "**NACirc**" is the number of the Company's outstanding shares on the date on which the Board of Directors, with express powers of delegation, resolves to carry out the Capital Increase.

(vii) "**NAN**" is the maximum number of New Shares to be issued in accordance with the amount of the Capital Increase set by the Board.

(viii) "**DAG**" is the number of bonus issue rights necessary to receive one New Share, calculated in accordance with paragraph 3 above.

The Company will waive the New Shares corresponding to the bonus issue rights acquired in application of the aforementioned Purchase Commitment, increasing the share capital exclusively by the amount corresponding to the bonus issue rights that have not been waived.

The acquisition by the Company of the bonus issue rights as a result of the Purchase Commitment will be carried out with a charge to profit or reserves pursuant to section 303.1 of the Corporate Enterprises Act.

#### **9. Balance sheet for the transaction and profit or reserves to which the Capital Increase will be changed**

The Capital Increase is based on the balance sheet for the year ended 31 December 2019, duly audited and submitted for approval at the General Shareholders Meeting under item one on the agenda.

As indicated, the Capital Increase will be carried out entirely with a charge to profit or reserves, pursuant to section 303.1 of the Corporate Enterprises Act.

When carrying out the Capital Increase, the Board of Directors, with express powers of delegation, will determine the profit or reserve account(s) to be used and the amount thereof in accordance with the balance sheet on which the transaction is based.

#### **10. Representation of the New Shares**

The New Shares will be represented by book entries and will be accounted for in the share register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and other participating entities.

#### **11. Rights of the New Shares**

The New Shares will confer upon their holders the same voting and dividend rights as the Company's ordinary shares currently outstanding as from the date on which the Capital Increase is declared subscribed and paid up.

#### **12. Shares on deposit**

Once the trading period of the bonus issue rights in the Capital Increase has ended, the New Shares that could not be allocated for reasons not attributable to the Company will be deposited and available to those who can prove legitimate ownership of the corresponding bonus issue rights.

After three years have elapsed from the end of the trading period of bonus issue rights, the New Shares issued under the Capital Increase that have yet to be allocated may be sold in accordance with section 117 of the Corporate Enterprises Act, at the expense and risk of the interested parties. The net amount of the aforementioned sale will be deposited in the Bank of Spain or the General Public Depository at the disposal of the interested parties.

#### **13. Application for admission to trading**

The Company will apply for admission to trading of the New Shares issued under the Capital Increase on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Spanish Stock Market Interconnection System (Continuous Market), will carry out any formalities and actions that may be necessary and will submit any documents required to the competent bodies for admission to trading of the New Shares issued, expressly placing on record that the Company submits to existing or future laws and regulations governing the stock market, particularly regarding trading, minimum time frames and delisting.

If a request is subsequently made to delist the Company's shares, this will be adopted with the same applicable formalities and, in such case, the interests of the shareholders

that oppose the resolution for delisting or do not vote in favour of it will be guaranteed, in compliance with the requirements envisaged in the current law at that time.

#### **14. Execution of the Capital Increase. Possibility of waiver of its execution.**

The Board of Directors, with express powers of delegation, may set the date on which the Capital Increase is to take place and establish the terms for all matters not provided for in this resolution, within a period of one year.

However, if the Board of Directors, with express powers of delegation, does not consider it advisable to carry out all or part of the Capital Increase within the aforementioned period (in view of market conditions, the conditions of the Company itself or those arising from any event or occurrence of particular significance), it may refrain from carrying it out, reporting its decision at the next General Shareholders Meeting.

Likewise, the resolutions passed at this General Shareholders Meeting in relation to the Capital Increase will be rendered null and void if, within a period of one year from their approval, the Board of Directors does not exercise the powers delegated thereto.

#### **15. Independence of the Capital Increase**

The Capital Increase agreed herein is independent from and cumulative to that submitted to the General Meeting under section 12.2 of item twelve on the agenda, whereby it is expressly agreed that the Board of Directors (with express powers of delegation) may decide whether (or not) to execute this increase independently from and cumulatively to that agreed in relation to the increase submitted under section 12.2 of item twelve on the agenda.

#### **16. Delegation for carrying out the Capital Increase**

Pursuant to section 297.1.a) of the Corporate Enterprises Act, with express powers of delegation, the Board of Directors has been delegated the power to indicate the date on which the Capital Increase must be carried out, within a maximum period of one (1) year from when the resolution is passed, and, to the extent necessary, to redraft article 5 of the Articles of Association with regard to the new share capital figure and the number of shares into which it is divided.

Likewise, and also in accordance with section 297.1.a) of the Corporate Enterprises Act, with express powers of delegation, the Board of Directors is delegated the power to set the terms of the Capital Increase in all matters not provided for in the preceding sections. In particular, and without the following list being exhaustive or implying any limitation or restriction, the following specific powers are delegated to:

(i) Carry out the Capital Increase or refrain from carrying it out (in full or in part), if it is not considered appropriate to execute it in full or in part.

(ii) Set the amount of the Capital Increase, the number of New Shares and the number of bonus issue rights necessary for the allocation of one New Share.

(iii) Determine the profit or reserve account(s) to which the Capital Increase will be charged, along with the acquisition by the Company of the bonus issue rights as a result of the Purchase Commitment, and apply the corresponding amounts to these accounts.

(iv) Designate the company or companies that assume the functions of agent and/or financial advisor with regard to the Capital Increase, and sign any contracts and documents as necessary for this purpose.

(v) Set the reference date and time for the allocation of bonus issue rights and the duration of the trading period for these rights, with a minimum of fifteen calendar days

(vi) Determine the period during which the Purchase Commitment will be in effect for the Capital Increase; fulfil the Purchase Commitment by paying the corresponding amounts to those who have accepted the this commitment and acquire the rights resulting from such acceptances.

(vii) Declare the trading period for the bonus issue rights closed and the Capital Increase carried out, setting for this purpose the number of New Shares effectively allocated and, therefore, the amount by which the Company's share capital must be increased in accordance with the rules established at this General Shareholders Meeting, and declare, where applicable, the incomplete allocation or incomplete increase.

(viii) Reword the article of the Articles of Association that establishes the share capital to reflect the new share capital figure and the number of outstanding shares resulting from the Capital Increase.

(ix) Formally charge the corresponding amounts to the account(s), for accounting purposes, as a result of the capital increase, with payment being made when the account(s) are charged.

(x) Waive any bonus issue rights that the Company may hold at the end of its respective trading period as a result of the Purchase Commitment and, therefore, the New Shares corresponding to these rights.

(xi) Waive, where applicable, the bonus issue rights to subscribe New Shares in the Capital Increase for the sole purpose of ensuring that the number of New Shares is a whole number and not a fraction.

(xii) Take all steps necessary to ensure that the New Shares are included in the share registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and admitted to trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Spanish Stock Market Interconnection System (Continuous Market) after the Capital Increase.

(xiii) Draft and publish any announcements considered necessary or advisable.

(xiv) Draw up, sign, execute and, if applicable, certify any type of document relating to the issue.

(xv) Carry out any actions that may be necessary or advisable to carry out and formalise the Capital Increase before any public or private entities and bodies, whether in Spain or abroad, including those related to declaring, supplementing or correcting any defects or omissions that may prevent or hinder the full effectiveness of the preceding resolutions.

Pursuant to section 249.bis.l) of the Corporate Enterprises Act, the Board of Directors is expressly authorised in turn to delegate any of the powers included in this resolution."

**12.2 Approval of a second capital increase with a charge to profit or reserves ("scrip dividend"), for a maximum nominal amount of eighteen million euros (€18,000,000), through the issuance of new ordinary shares of one euro par value each, without a share premium, of the same class and series as those currently outstanding, for which the subscription/allocation is expected to be incomplete; subsequent amendment to**

**the corresponding article of the Articles of Association; commitment to acquire the bonus issue rights at a guaranteed fixed price; application for admission to trading of the new shares issued; delegation of powers to the Board, with express powers of delegation, to establish the terms of the increase for all matters not provided for by this General Meeting, to carry out the actions necessary for this capital increase, and to adapt the wording of article 5 of the Articles of Association.**

PROPOSED RESOLUTION:

*“To increase the share capital by a maximum nominal amount of eighteen million euros (€18,000,000), delegating to the Board the power to set the final amount of the capital increase within the aforementioned limit, through the issuance of new shares with a charge to profit or reserves, and under the terms described below:*

### **1. Amount of the capital increase**

*The capital increase (the “**Capital Increase**”) will be for a maximum nominal amount of eighteen million euros (€18,000,000), delegating to the Board, with express powers of delegation, the power to set the final amount for which it will be carried out within the aforementioned limit*

### **2. How the Capital Increase will be carried out**

*The Capital Increase will be carried out, where applicable, through the issuance new shares of the Company, which will be ordinary shares of one euro par value each, of the same class and series as those currently outstanding, represented by book entries (the “**New Shares**”).*

### **3. Bonus issue rights**

*Each of the Company’s outstanding shares will grant one bonus issue right.*

*The number of bonus issue rights necessary to receive one New Share (“**DAG**”) will be equal to the result of dividing (i) the number of the Company’s outstanding shares on the date on which the Board of Directors, with express powers of delegation, resolves to carry out the Capital Increase (“**NACirc**”) by (ii) the number of New Shares to be issued as a result of the Capital Increase (“**NAN**”), rounded to the nearest whole number and, if the result is exactly half a whole number, to the next whole number, if the result is not a whole number.*

*If the number of bonus issue rights necessary to allocate one New Share (DAG) multiplied by the number of New Shares to be issued (NAN) results in a number less than the number of the Company’s outstanding shares on the date on which the Capital Increase is carried out (NACirc), the Company (or a Group company that, where applicable, holds shares in the Company) will waive a number of bonus issue rights equal to the difference between the two figures, for the sole purpose of making the number of New Shares a whole number and not a fraction.*

*Once the Board of Directors (with express powers of delegation) resolves to carry out the capital increase and has determined the corresponding dates, the bonus issue rights will be allocated to those that appear in the share register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) on the corresponding date in accordance with the current law applicable.*

*The holders of debentures convertible into Sacyr shares that may be outstanding on the date on which the Board of Directors, with express powers of delegation, resolves to*

carry out the Capital Increase will not obtain the bonus issue rights of the New Shares, notwithstanding any changes that may be made to the conversion ratio under the terms of each issue.

The bonus issue rights (i) may be sold under the same terms as the shares from which they derive, and (ii) may be traded on the market during the period determined by the Board (with express powers of delegation), with a minimum of fifteen calendar days. During that period, sufficient bonus issue rights may be acquired on the market in the necessary proportion to receive New Shares.

Once the trading period for the bonus issue rights corresponding to the Capital Increase has ended, the following will be applicable:

(a) The New Shares will be allocated, in the proportion indicated in the previous sections, to those shareholders who hold the bonus issue rights in accordance with the share registers kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and its participating entities.

(b) The Board of Directors (with express powers of delegation) will declare the trading period for the bonus issue rights to be closed and the account(s) indicated for the Capital Increase will be charged for accounting purposes, in the appropriate amount, with payment being made when the account(s) are charged.

Likewise, once the trading period for the bonus issue rights has ended, the Board of Directors, with express powers of delegation, will pass the corresponding resolutions to amend the Articles of Association to reflect the new share capital figure and the number of shares resulting from carrying out the Capital Increase and the application for admission to trading of the resulting New Shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Spanish Stock Market Interconnection System (Continuous Market).

#### **4. Incomplete allocation and incomplete increase**

Section 311 of the Corporate Enterprises Act provides for the possibility of an incomplete allocation or subscription of the Capital Increase in the event that the Company, any company in its group or a third party waives all or part of the bonus issue rights it holds when the Capital Increase is carried out, and therefore, if these rights are waived, the share capital will be increased by the corresponding amount.

#### **5. Consideration for the Capital Increase**

Pursuant to section 303.1 of the Corporate Enterprises Act, the Capital Increase will be carried out entirely with a charge to profit or reserves. When carrying out the Capital Increase, the Board of Directors, with express powers of delegation, will determine the profit or reserve account(s) to be used and the amount thereof in accordance with the balance sheet on which the transaction is based.

#### **6. Type of issue for the New Shares**

The New Shares will be issued at par value, i.e. at a par value of one euro each, without a share premium, and will be allocated to the Company's shareholders free of charge.

#### **7. Deadline for carrying out the Capital Increase**

The Capital Increase may be carried out, within one year following the date on which this resolution is passed, by the Board, with express powers of delegation, at its sole



discretion and, therefore, without having to once again obtain approval at the General Shareholders Meeting, and in accordance with the legal and financial conditions existing when the increase is carried out.

#### **8. Irrevocable commitment to purchase bonus issue rights**

The Company will assume, at the price indicated below, an irrevocable commitment to purchase the bonus issue rights allocated in the Capital Increase from those who receive such rights free of charge as a result of appearing in the share register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), on the corresponding date in accordance with the rules for the clearing and settlement of securities that apply at any given time (the "**Purchase Commitment**").

The Purchase Commitment will only cover the bonus issue rights received by the Company's shareholders free of charge, not those purchased or otherwise acquired on the market.

The Purchase Commitment corresponding to the Capital Increase will be valid and may be accepted during such time that, within the trading period of the rights, is determined by the Board, with express powers of delegation. For this purpose, the Company will be authorised to acquire such bonus issue rights, with a maximum limit of the total rights issued in the Capital Increase, and must comply with the legal limits imposed in all cases.

The "**Purchase Price**" will be the fixed price at which the Company will acquire each bonus issue right under the Purchase Commitment and will be calculated in accordance with the following formula, rounding the result up to the nearest thousandth of a euro and, in the case of half a thousandth of a euro, to the next thousandth of a euro:

$$\text{Purchase Price} = ((\text{Share price} * \text{NACirc}) / (\text{NACirc} + \text{NAN})) / \text{DAG}$$
  
Where

(i) "**Share Price**" will be equal to the arithmetic mean of the weighted average prices of the Company's shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Spanish Stock Market Interconnection System (Continuous Market) on the five trading days prior to the date of the corresponding resolution passed by the Board (with express powers of delegation) to carry out the Capital Increase.

(ii) "**NACirc**" is the number of the Company's outstanding shares on the date on which the Board of Directors, with express powers of delegation, resolves to carry out the Capital Increase.

(iii) "**NAN**" is the maximum number of New Shares to be issued in accordance with the amount of the Capital Increase set by the Board.

(iv) "**DAG**" is the number of bonus issue rights necessary to receive one New Share, calculated in accordance with paragraph 3 above.

The Company will waive the New Shares corresponding to the bonus issue rights acquired in application of the aforementioned Purchase Commitment, increasing the share capital exclusively by the amount corresponding to the bonus issue rights that have not been waived.

The acquisition by the Company of the bonus issue rights as a result of the Purchase Commitment will be carried out with a charge to profit or reserves pursuant to section 303.1 of the Corporate Enterprises Act.

#### **9. Balance sheet for the transaction and profit or reserves to which the Capital Increase will be changed**

The Capital Increase is based on the balance sheet for the year ended 31 December 2019, duly audited and submitted for approval at the General Shareholders Meeting under item one on the agenda.

As indicated, the Capital Increase will be carried out entirely with a charge to profit or reserves, pursuant to section 303.1 of the Corporate Enterprises Act. When carrying out the Capital Increase, the Board of Directors, with express powers of delegation, will determine the profit or reserve account(s) to be used and the amount thereof in accordance with the balance sheet on which the transaction is based.

#### **10. Representation of the New Shares**

The New Shares will be represented by book entries and will be accounted for in the share register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and other participating entities.

#### **11. Rights of the New Shares**

The New Shares will confer upon their holders the same voting and dividend rights as the Company's ordinary shares currently outstanding as from the date on which the Capital Increase is declared subscribed and paid up.

#### **12. Shares on deposit**

Once the trading period of the bonus issue rights in the Capital Increase has ended, the New Shares that could not be allocated for reasons not attributable to the Company will be deposited and available to those who can prove legitimate ownership of the corresponding bonus issue rights.

After three years have elapsed from the end of the trading period of bonus issue rights, the New Shares issued under the Capital Increase that have yet to be allocated may be sold in accordance with section 117 of the Corporate Enterprises Act, at the expense and risk of the interested parties. The net amount of the aforementioned sale will be deposited in the Bank of Spain or the General Public Depository at the disposal of the interested parties.

#### **13. Application for admission to trading**

The Company will apply for admission to trading of the New Shares issued under the Capital Increase on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Spanish Stock Market Interconnection System (Continuous Market), will carry out any formalities and actions that may be necessary and will submit any documents required to the competent bodies for admission to trading of the New Shares issued, expressly placing on record that the Company submits to existing or future laws and regulations governing the stock market, particularly regarding trading, minimum time frames and delisting.

If a request is subsequently made to delist the Company's shares, this will be adopted with the same applicable formalities and, in such case, the interests of the shareholders

that oppose the resolution for delisting or do not vote in favour of it will be guaranteed, in compliance with the requirements envisaged in the current law at that time.

#### **14. Execution of the Capital Increase. Possibility of waiver of its execution.**

The Board of Directors, with express powers of delegation, may set the date on which the Capital Increase is to take place and establish the terms for all matters not provided for in this resolution, within a period of one year.

However, if the Board of Directors, with express powers of delegation, does not consider it advisable to carry out all or part of the Capital Increase within the aforementioned period (in view of market conditions, the conditions of the Company itself or those arising from any event or occurrence of particular significance), it may refrain from carrying it out, reporting its decision at the next General Shareholders Meeting.

Likewise, the resolutions passed at this General Shareholders Meeting in relation to the Capital Increase will be rendered null and void if, within a period of one year from their approval, the Board of Directors does not exercise the powers delegated thereto.

#### **15. Independence of the Capital Increase**

The Capital Increase agreed herein is independent from, additional and cumulative to that submitted to the General Meeting under section 12.1 of item twelve on the agenda, whereby it is expressly agreed that the Board of Directors (with express powers of delegation) may decide whether (or not) to execute this increase independently from and cumulatively to that agreed in relation to the increase submitted under section 12.1 of item twelve on the agenda.

#### **16. Delegation for carrying out the Capital Increase**

Pursuant to section 297.1.a) of the Corporate Enterprises Act, with express powers of delegation, the Board of Directors has been delegated the power to indicate the date on which the Capital Increase must be carried out, within a maximum period of one (1) year from when the resolution is passed, and, to the extent necessary, to redraft article 5 of the Articles of Association with regard to the new share capital figure and the number of shares into which it is divided.

Likewise, and also in accordance with section 297.1.a) of the Corporate Enterprises Act, with express powers of delegation, the Board of Directors is delegated the power to set the terms of the Capital Increase in all matters not provided for in the preceding sections. In particular, and without the following list being exhaustive or implying any limitation or restriction, the following specific powers are delegated to:

(i) Carry out the Capital Increase or refrain from carrying it out (in full or in part), if it is not considered appropriate to execute it in full or in part.

(ii) Set the amount of the Capital Increase, the number of New Shares and the number of bonus issue rights necessary for the allocation of one New Share.

(iii) Determine the profit or reserve account(s) to which the Capital Increase will be charged, along with the acquisition by the Company of the bonus issue rights as a result of the Purchase Commitment, and apply the corresponding amounts to these accounts.

(iv) Designate the company or companies that assume the functions of agent and/or financial advisor with regard to the Capital Increase, and sign any contracts and documents as necessary for this purpose.

(v) Set the reference date and time for the allocation of bonus issue rights and the duration of the trading period for these rights, with a minimum of fifteen calendar days

(vi) Determine the period during which the Purchase Commitment will be in effect for the Capital Increase; fulfil the Purchase Commitment by paying the corresponding amounts to those who have accepted the this commitment and acquire the rights resulting from such acceptances.

(vii) Declare the trading period for the bonus issue rights closed and the Capital Increase carried out, setting for this purpose the number of New Shares effectively allocated and, therefore, the amount by which the Company's share capital must be increased in accordance with the rules established at this General Shareholders Meeting, and declare, where applicable, the incomplete allocation or incomplete increase.

(viii) Reword the article of the Articles of Association that establishes the share capital to reflect the new share capital figure and the number of outstanding shares resulting from the Capital Increase.

(ix) Formally charge the corresponding amounts to the account(s), for accounting purposes, as a result of the capital increase, with payment being made when the account(s) are charged.

(x) Waive any bonus issue rights that the Company may hold at the end of its respective trading period as a result of the Purchase Commitment and, therefore, the New Shares corresponding to these rights.

(xi) Waive, where applicable, the bonus issue rights to subscribe New Shares in the Capital Increase for the sole purpose of ensuring that the number of New Shares is a whole number and not a fraction.

(xii) Take all steps necessary to ensure that the New Shares are included in the share registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and admitted to trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Spanish Stock Market Interconnection System (Continuous Market) after the Capital Increase.

(xiii) Draft and publish any announcements considered necessary or advisable.

(xiv) Draw up, sign, execute and, if applicable, certify any type of document relating to the issue.

(xv) Carry out any actions that may be necessary or advisable to carry out and formalise the Capital Increase before any public or private entities and bodies, whether in Spain or abroad, including those related to declaring, supplementing or correcting any defects or omissions that may prevent or hinder the full effectiveness of the preceding resolutions.

Pursuant to section 249.bis.l) of the Corporate Enterprises Act, the Board of Directors is expressly authorised in turn to delegate any of the powers included in this resolution."