

**REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE,
REGARDING THE PROPOSED DIRECTORS' REMUNERATION POLICY FOR
2023, 2024 AND 2025, REFERRED TO IN ITEM EIGHT OF THE AGENDA OF THE
ORDINARY GENERAL SHAREHOLDERS MEETING CONVENED FOR APRIL 27
AND APRIL 28, 2022, ON FIRST AND SECOND NOTICE OF MEETING,
RESPECTIVELY**

1. Modification background and justification

The current and in effect Remuneration Policy of the Directors of Sacyr, S.A. applicable for the 2020, 2021 and 2022 business years was approved by the General Meeting held on June 13, 2019 and was modified by the General Meetings held in June 2020 and April 2021.

In accordance with the Corporate Law, namely article 529 novodecies, paragraph 1, it is foreseen that proposals for new remuneration policies of directors must be submitted to the General Meeting prior to the end of the last business year of application of the previous one, and the General Meeting may determine that the new policy is applicable from the date of approval and during the three following business years.

The Appointments and Remuneration Committee of the Company in accordance with the provisions of Article 17 of the Regulations of the Board of Directors of Sacyr, S.A. has the competence to propose to the Board of Directors the Remuneration policy of directors and general directors and, in accordance with Article 529 novodecies section 4 of the Corporate Law, must report on the proposal for a Remuneration Policy that the Board of Directors submits to the approval of the General Meeting.

In this regard and since it is the last business year of validity of the current Policy, the year 2022, it is proposed to the Board of Directors to include as an item on the agenda for approval by the Ordinary General Shareholders Meeting the Remuneration Policy of Directors for the years 2023, 2024 and 2025, proposing to the General Meeting that it establishes that the Policy be applicable from the date of its approval.

The proposal of the Policy that is submitted is a continuation of the one approved by the Ordinary General Shareholders Meeting in 2019 and is limited to proposing three specific adaptations over the above-mentioned: i) adapt to legislative developments; ii) enhance the objectives of sustainability in remuneration, which translates into the inclusion of a Complementary Variable Remuneration Plan for executive directors and directors, linked to the stock market revaluation of the Company and which is remunerated exclusively in shares, always conditioned on the compliance with the sustainability objectives established within the framework of the Company's Strategic Plan, approved by the Board of Directors on 1 October 2021; and, iii) enhance the long-term commitment of executive directors and managers through a dedication plan approved by the Board of Directors on October 1, 2021.

Consequently, it is necessary to submit to the General Meeting to be held in April 2022 the approval of the "Remuneration Policy of Directors of Sacyr, S.A." which validity will include, from the moment of its approval and during the years 2023, 2024 and 2025,

based on the proposal made by the Board of Directors, prior specific report of the Appointments and Remuneration Committee.

To this end, the Appointments and Remuneration Committee formulates this specific report and proposes the following Remuneration Policy for Directors of Sacyr, S.A. in which the remuneration of directors in their capacity as such is distinguished from the additional remuneration of directors who have been assigned executive functions.

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

1. INTRODUCTION

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

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

2. APPLICABLE REGULATIONS

Without prejudice to any other regulations that may be applicable:

2.1. Corporate Law

- Article **217, sections 2, 3 and 4** stipulate:

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

(a) a fixed allocation;

(b) attendance allowance;

(c) profit-sharing;

(d) variable remuneration with indicators or general benchmarks;

(e) remuneration in shares or linked to their evolution;

(f) severance payments, provided that the dismissal was not motivated by the failure to perform the functions of administrator; and

(g) the savings or forecasting systems deemed appropriate.

3. The maximum amount of the annual remuneration of all the directors, in their capacity as such, must be approved by the general meeting and will remain in force as long as its modification is not approved. Unless the general meeting determines otherwise, the distribution of remuneration among the different directors shall be established by agreement of the latter and, in the case of the board of directors, by its decision, which must take into consideration the functions and responsibilities attributed to each director.

4. The remuneration of directors must in any case be proportionate to the size of the company, its economic situation at any given time and the market standards of comparable companies. The established remuneration system should be aimed at promoting the profitability and long-term sustainability of the company and incorporate the necessary precautions to avoid excessive risk-taking and the reward of unfavorable results.

- Article **249, sections 3 and 4**, stipulate:

3. When a member of the Board of Directors is appointed chief executive officer or is assigned executive functions under another title, it will be necessary to subscribe a contract between the director and the company which shall be approved in advance by the Board of Directors with the favorable vote of two-thirds of its members. The director in question will abstain from attending the deliberation and from participating in the vote. The approved contract must be incorporated as an annex to the minutes of the meeting.

4. The contract will detail all the concepts for which it may obtain remuneration for the performance of executive functions, including, where appropriate, any compensation for early termination of such functions and the amounts to be paid by the company as insurance premiums or contribution to savings systems. The director may not receive any remuneration for the performance of executive functions when said amounts or concepts are not stipulated in that contract.

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

- Article **529 quidecies, section 3.g**, stipulates:

3. Without prejudice to the other functions assigned by law, the by-laws or, in accordance with them, the regulations of the Board of Directors, the Appointments and Remuneration Committee will have at least the following:

(...)

g) Propose to the board of directors the retribution policies for directors and general managers or those developing the positions of top management under the direct dependence of the board of directors, of executive committees or chief executive officers, as well as the individual retribution and other contractual conditions of the executive directors, ensuring their compliance.

- Article **529 sexdecies** stipulates:

Unless otherwise stipulated in the by-laws, the position of director of a listed company will need to be remunerated.

- Article **529 septdecies** stipulates:
 1. *The remuneration of the functions that the directors are called upon to perform in their capacity as such, as members of the collegiate body or its committees, must be in accordance with the remuneration system stipulated for the by-laws in accordance with Article 217 and 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. *It is the responsibility of the board of directors to individually establish the remuneration of each director, in their capacity as such, within the statutory framework and the remuneration policy, following a report from the Appointments and Remuneration Committee.*

- Article **529 octodecies** stipulates:
 1. *The remuneration of the executive functions of the managing directors and other directors to whom such functions are assigned by virtue of other titles shall be in accordance with the by-laws and, in any case, with the remuneration policy approved in accordance with the provisions of Article 529 novodecies and 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 remuneration corresponding to the directors for the performance of their executive functions and other provisions referred to in the following article.*
 3. *The board of directors is responsible for the individual establishment of the remuneration of each director for the performance of the executive functions attributed to him/her within the framework of the remuneration policy and in accordance with the provisions of his/her contract, after a report from the Appointments and Remuneration Committee.*

- Article **529 novodecies** stipulates:
 1. *The remuneration policy of directors must comply with the remuneration system statutorily established and shall be approved by the general shareholders meeting as a separate item on the agenda, for its application for a maximum period of three years. However, the proposals for new remuneration policies of directors must be submitted to the general shareholders meeting prior to the end of the last business year of application of the previous one, and the general meeting may determine that the new policy is applicable from the date of approval and during the three following business years. Any modification or replacement thereof during this 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 result of the vote, will be accessible on the company's website free of charge since its approval and at least as long as it is applicable.

3. The remuneration policy must comply with the following requirements:

(a) must contribute to the business strategy and to the long-term interests and sustainability of the company and explain how this is accomplished.

(b) must be clear and comprehensible and describe the various components of fixed and variable remuneration, including all bonuses and other benefits in any form which may be granted to directors, indicating their relative proportion.

(c) must establish how the conditions of remuneration and employment of the company's employees have been taken into consideration when determining the remuneration policy.

(d) when a company grants variable remuneration, the remuneration policy shall establish clear, complete and varied criteria for that award and shall indicate the criteria for financial and non-financial performance, including, where appropriate, those relating to corporate social responsibility, explaining how they contribute to the achievement of the goals set out under section (a); and the methods to be applied to determine the extent to which the performance criteria have been complied.

(e) report on any period of deferral and regarding the possibility for the company to demand the refund of the variable remuneration.

(f) when the company grants share-based remuneration, the policy will specify the accrual periods as well as, where applicable, the retention of shares after consolidation, and will explain how such remuneration contributes to the achievement of the goal set out under section (a).

(g) will provide the duration of the contracts or agreements with the directors, the applicable notice periods, the main characteristics of supplementary pension or early retirement systems, the conditions of termination and the payments linked thereto.

(h) will explain the decision-making process that has been followed for its establishment, review and implementation, including measures to avoid or manage conflicts of interest and, where appropriate, the role of the Appointments and Remuneration Committee and other committees that may have intervened.

(i) in the event of a policy review, all significant changes and how the votes taken and the views received from shareholders on the policy and the annual reports on directors' remuneration since the date of the most recent vote on

the remuneration policy at the general shareholders meeting shall be described and explained.

4. The proposal of the remuneration policy of the board of directors will be motivated and must be accompanied by a specific report from the Appointments and Remunerations Committee. Both documents will be made available to the shareholders on the company website since the notice of meeting of the General Meeting, who can also request their free shipping and delivery. The notice of meeting of the General Meeting will 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 will be in accordance with the remuneration policy of the directors in force at all times, except for the remunerations expressly approved by the General Shareholders Meeting.

6. Companies may apply temporary exceptions to the remuneration policy, provided that the policy establishes the procedure to be used and the conditions under which these exceptions may be used and specifies the components of the policy that may be subject to exception.

The exceptional circumstances referred to herein paragraph shall only cover situations where the exception to 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 paragraph 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 remunerate its directors in accordance with the remuneration policy in force on the date of the General Meeting and shall submit a new proposal for a remuneration policy for approval at the next ordinary General Shareholders Meeting; and

b) if the annual report on directors' remuneration 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 the General Meeting until the next ordinary General Meeting.

2.2. By-Laws

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

The approval of the maximum retribution for the group of directors, under their condition as such, and their remunerations policy pursuant to the terms established under the Corporate Law.

- Article **43** stipulates:

1. The directors, in their capacity as members of the Board of Directors, and for their tasks of supervision and collegiate decision, will be entitled to receive a remuneration from the Company that will consist of a fixed annual amount. The maximum joint amount of the remuneration of the directors, as such, will be fixed by the General Meeting, and will remain in force as long as it does not agree its modification.

It will be the decision of the Board of Directors, within the limit established by the General Meeting, to determine, in each business year, the specific amount to be received by each director for which it will attend to (i) the positions they occupy within said body; (ii) the concurrent characteristics therein; or (iii) their membership or not, and degree of responsibility, in the different committees.

2. Directors who, in addition to their supervisory tasks and collegiate decision-making, perform executive functions within the Company regardless of their relationship with the Company, shall have the right to receive, for these functions, in the terms previously agreed by the Board of Directors, in addition to that referred to under paragraph 1 above, and subject to paragraph 3 below, a remuneration consisting of: (a) a fixed amount, appropriate to the services and responsibilities assumed; (b) a variable amount, correlated with an indicator of the director's or the company's performance; (c) a care amount, which shall include the appropriate pension and insurance systems; (d) compensation 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) remuneration for exclusivity agreements, post-contractual non-compete and permanence or loyalty.

It corresponds, as mentioned above, to the Board of Directors, after a report from the Appointments and Remuneration Committee, the determination of the remuneration items as well as the amount thereof that correspond to the executive directors, including, to the extent that it corresponds, the fixed amount, the configuration modalities and the calculation indicators of the variable amount (which in no case may consist of a participation in the profits of the company), the assistance provisions, the compensation for resignation or termination for a supervening cause beyond the control of the director and the remuneration for exclusivity agreements, post-contractual non-compete, permanence or loyalty. The affected directors shall refrain from attending and participating in the relevant deliberation. The Board of Directors shall ensure that the remuneration is guided by market conditions and takes into consideration the responsibility and degree of commitment implied by the role that each director is called upon to play.

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 legislation in effect, at all times.

4. The directors may also be remunerated with the delivery of Company shares, options thereon or remuneration linked to the value of the shares. This remuneration must be agreed by the General Meeting. The resolution of the General Meeting shall include the maximum number of shares that may be

allocated in each business year to this remuneration system, the exercise price or the system for calculating the exercise price of the stock options, the shares value that, where appropriate, are taken as a reference and the term of duration of the plan.

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

6. The Company will inform about the remuneration of the directors in the terms and conditions established by the legislation in effect, at all times.

2.3. Regulation of the Board

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

7. Without prejudice of other responsibilities that are assigned by the applicable law, the By-Laws, Board of Directors Regulation, Appointments and Remunerations Committee will have the following responsibilities:

(...)

g) Propose to the Board of Directors the retribution policies for directors and general managers or those developing the positions of top management under the direct dependence of the Board of Directors, of executive committees or chief executive officers, as well as the individual retribution and other contractual conditions of the executive directors, ensuring their compliance.

h) Periodically review the retribution programs, particularly regarding top management and the management team, pondering their adequacy and performance.

- Article **27** stipulates:

1. The remuneration of directors will be regulated according to what is established in the By-Laws.

2. The Board will annually prepare and publish a report about remunerations of the directors with the content that is demanded in the applicable regulation in force at each time.

2.4. Board Regulations

Article **3, section 4**, stipulates:

The General Meeting will decide upon matters regarding its competence according to the applicable regulations and the By-laws, being the specific responsibility of the General Meeting the adoption of the following agreements:

(...)

4. The approval of the maximum retribution for the group of directors, under their condition as such, and their remunerations policy pursuant to the terms established under the Corporate Law.

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

The Remuneration Policy seeks to attract, retain and engage the best professionals, as well as to establish a stable link with a vocation to remain long-term between remuneration, results and the interests of shareholders, contributing to the business strategy and the interests and long-term sustainability of the company and incorporating the necessary precautions to avoid excessive risk-taking and the reward of unfavorable results.

Additionally, when designing the Remuneration Policy, the economic environment, the profit and losses of the Company, the strategy of the group headed by Sacyr (the "Group"), the legal requirements applicable to capital companies, the best market practices and, to a large extent, the Good Corporate Governance Recommendations have been taken into consideration.

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

- Suitability: The remuneration must be sufficiently encouraging both to assume the tasks of the executive directors, and to attract external talent as far as the directors, as such, are concerned, adequately rewarding their dedication, qualification and the responsibilities assumed.
- Moderation: The goal will be for the remuneration to be moderate according to the market standards. In this regard, to facilitate this goal, the maximum limit of two million nine hundred thousand Euros (€ 2,900,000) is retained, for all directors, as such, authorized by the General Meeting of Sacyr in 2006 and maintained by the previous Remuneration Policies of Sacyr approved by the General Meeting of 2016 and by the General Meeting of 2019.
- Proportion: Directors are remunerated based on their assumption of responsibilities and functions within the Board of Directors, so that those who chair or participate in Committees can obtain a higher remuneration.
- Prudential management regarding the risk inherent in remuneration: The remuneration of directors, as such, is not directly linked to the results of the company, thus avoiding conditioning decision-making; all this in accordance with Good Corporate Governance Recommendations.
- Transparency: It establishes the need for transparency in the processes of proposal, design, determination and approval of policies, models and amounts related to the remuneration of its directors.
- Competitive: In relation to the market standards of the companies in the sector in which the Company carries out its activity.
- Strategic: It is designed to contribute to the development of business strategy and to the long-term interests and sustainability of the Company.

The Remuneration Policy differentiates the remuneration system applicable to directors who carry out their function, 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, as such

The application of the above principles on the directors' remuneration system, as such, means that it has the following characteristics:

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

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

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

4.2. Characteristics of the remuneration policy for executive directors

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

- The remuneration for the performance of executive functions is in addition to the remuneration that the director may receive in his/her capacity as a member of the Board of Directors.
- It takes into consideration market trends in relation to the structure and overall amount of remuneration and positions itself ahead of it in accordance with the strategic approach of the Company, being competitive in relation to other comparable entities in order to attract, retain and motivate the best professionals.
- The variable remuneration has greater relevance within the total remuneration, since a variable remuneration is included in the medium and long-term, in accordance with Good Corporate Governance Recommendations.
- The variable remuneration is linked to the achievement of medium and long-term goals. In this way, it is possible to reduce risk exposure and adjust the remuneration policy to the goals, values and long-term interests of the Company.

- In no case will such remuneration threaten the Company's ability to maintain its solvency and financial situation.

The remuneration 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 regarding the remuneration of directors.

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

5. REMUNERATION STRUCTURE OF DIRECTORS, AS SUCH

In accordance with the aforementioned article 43.1 of the Company By-Laws, directors, as such, shall be entitled to receive remuneration from the Company consisting of a fixed annual amount. The maximum joint amount of the remuneration of the directors, as such, will be fixed by the General Meeting, and will remain in force as long as it does not agree its modification. The individual determination for the directors is carried out by the Board of Directors within the total amount agreed by the General Meeting.

The General Meeting, when approving the Remuneration Policy, establishes the maximum amount of the 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 remuneration of the members of the Board of Directors due to their status as such, which may not be the same for all its members, for which it will take into consideration and assess the functions and responsibilities attributed to each director, as well as other objective circumstances that the Board of Directors considers relevant.

It will be the responsibility of the Board of Directors, within the limit established by the General Meeting, to determine the specific amount to be received by each director for which it will attend to (i) the positions they occupy within said body; (ii) the concurrent characteristics therein; or (iii) their membership or not, and degree of responsibility, in the different committees.

In accordance with the provisions of article 529 septdecies of the LSC, it is recorded that the maximum annual amount that Sacyr may pay out to all the directors for their status as such will amount to two million nine hundred thousand Euros (€ 2,900,000). This amount will remain in effect until the General Shareholders Meeting does not agree to its modification. As indicated above, its distribution will be made individually by the Board that, within the established limit, will have to distinguish the amounts attributed to each director, taking into consideration the functions and responsibilities entrusted to each of them, reporting this in the Annual Report of Remuneration of the Directors that will be submitted annually to the advisory vote of the General Shareholders Meeting.

6. REMUNERATION STRUCTURE OF THE EXECUTIVE DIRECTOR

As stated above, article 43.2 of the By-Laws establishes that directors who, in addition to their supervisory and collegiate decision-making tasks, perform executive functions within the Company, shall have the right to receive for these functions, and in the terms previously agreed by the Board of Directors, an additional remuneration to the concepts described in section 5 of the Remuneration Policy.

In accordance with the aforementioned article 43.2 of the By-Laws, the remuneration system of directors who perform executive functions, whose powers currently fall on the Chairperson and CEO of Sacyr (the "Executive Director"), is composed of the following elements:

- "(a) a fixed amount, appropriate to the services and responsibilities assumed;*
- (b) a variable amount, correlated with an indicator of the director's or the undertaking's performance;*
- (c) an amount of assistance, which shall cover appropriate pension and insurance systems;*
- d) a compensation 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) a remuneration for exclusivity agreements, post-contractual non-compete and permanence or loyalty."*

Additionally, executive directors may be remunerated with delivery of shares of the Company, options on them or remuneration linked to the value of the shares. This remuneration must be agreed by the General Meeting.

It is the responsibility of the Board of Directors to determine the remuneration of the Executive Director, as well as the specific amount of each of the aforementioned remuneration items, following a report from the Appointments and Remuneration Committee and in accordance with the terms and conditions established in the corresponding contract. The Board of Directors ensures that remunerations are guided by market conditions and takes into consideration the responsibility and degree of commitment involved in the role that the Executive Director is called upon to play.

6.1. Fixed remuneration

The fixed remuneration of the Executive Director ("Fixed Reference Remuneration") for the performance of his/her executive functions reflects his/her level of responsibility in the Company, the position he/she holds and his/her professional experience, ensuring his/her competitiveness with respect to the one applied in companies comparable to Sacyr, S.A.

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

- Fixed monetary remuneration, set for the year 2022 at one million six hundred and seventy-six thousand eighty-four Euros (€ 1,676,084) by the Board of Directors, after a report from the Appointments and Remuneration Committee.

The Board of Directors, following a report from the Appointments and Remuneration Committee, may review the fixed monetary remuneration, taking into consideration 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 brackets provided for in Sacyr's remuneration policy for its management team. Update that in its case will entail the corresponding contractual renewal and will have to be reflected in the Annual Report of Remunerations that is submitted every year to an advisory vote of the General Meeting. This review must be carried out, where appropriate, within the maximum limit of a fixed monetary remuneration of two million Euros (€ 2,000,000) per year.

- Fees of "leasing" or "renting" of the car that corresponds to the Executive Director according to the current policy of the Company.

6.2. Variable remuneration

6.2.1. Annual variable remuneration

The annual variable remuneration is configured as a management program by objectives through which the setting, supervision and fulfillment of specific goals is carried out. The program is annual and it is established with the purpose of rewarding the performance and achievement of the economic-financial and strategic objectives of the Company.

In accordance with this program, the Executive Director will be entitled to receive an annual variable remuneration in cash for the provision of his/her services, the amount of which will be determined annually by the Board of Directors, at the proposal of the Appointments and Remuneration Committee of the Company, depending on the degree of compliance with the goals set by the Board of Directors of Sacyr, under certain maximum and minimum limits.

The reference amount to determine the variable remuneration will be equal to 100 percent of the Fixed Reference Remuneration in effect at any given time.

The specific amount of the variable remuneration will be determined annually by the Board of Directors, following a report from the Appointments and Remuneration Committee, depending on the degree of compliance by the Executive Director with the goals set for his/her position, and will range from a minimum of 70 percent to a maximum of 130 percent of the Fixed Reference Remuneration. However, the Board of Directors, following a report from the Appointments and Remuneration Committee, may modify the amount of the maximum annual variable remuneration by more or less than 15 per cent.

To carry out this review, the Board of Directors may take into consideration 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 brackets provided for in Sacyr's remuneration policy for its management team.

The review that, where appropriate, is carried out, must be reflected in the Annual Remuneration Report that is submitted once a year to an advisory vote of the General Meeting.

The Board of Directors shall set the objectives to which the annual variable remuneration is linked annually. If in one of the business years no goals are set by the Board of Directors before the end of March, the following shall be understood as such:

- a) the evolution, general and reasonable development of the activity, business and value of the Company, in the macroeconomic context in which it is developed; as well as
- b) the adequate and correct performance of his/her functions by the Executive Director, within the framework of said activity, business and value of the Company.

Once the degree of compliance and the amount of the annual variable remuneration have been determined by the Board of Directors, the payment thereof will take place on the appropriate date in accordance with the Company's policies.

The Company may make, with the prior agreement of the Appointments and Remuneration Committee, payments on account of the annual variable remuneration. However, if once the time has come for the final settlement of the same, it is found that the Executive Director has received an amount higher than that which would correspond to the director, said director will be obliged to return the excess annual variable remuneration.

The contract with the Executive Director will regulate the amount of the annual variable remuneration that would correspond in case of an early termination of the contract.

6.2.2. Long-term variable remuneration

The Board of Directors has approved a long-term incentive plan (the "ILP"), consisting of a Multiannual Bonus linked to the achievement of goals established in the Strategic Plan 2020-2025.

The ILP is a variable remuneration system, non-consolidable, aimed at the management team, as well as the directors of the company who perform executive functions and has as objectives: i) To encourage the key personnel of the Company and with high potential (ii) Maximize the value of Sacyr and its subsidiary companies allowing the management team to benefit from the results of its management, linking it to the Strategic Plan (iii) Reward the permanence of the eligible management team and (iv) Offer the eligible management team a remuneration element in line with the best market practices, and that supports the implementation of a remuneration policy with internal equity and external competitiveness.



A duration of six years is foreseen and is divided into five overlapping and independent cycles of two years duration the first and three years of duration the rest of them according to the following detail:

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

The incentive will be paid 50 percent in cash and the other 50 percent in shares on the date on which the Board of Directors, at the proposal of the Appointments and Remuneration Committee, determines this amount after analyzing the fulfillment of the objectives.

The ILP is conditional on compliance with the EBITDA, BDI and Total Return for Shareholder objectives, established in the 2020-2025 Strategic Plan, and in which the company has at all times, and the individual performance of the beneficiary.

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

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

The Board of Directors may approve in subsequent years other long-term remuneration plans with characteristics and amounts similar to the ILP, following a report from the Appointments and Remuneration Committee and, where appropriate, submitted to the approval of the General Shareholders' Meeting, if the aforementioned remuneration plans are settled through the delivery of shares or are referenced to their value.

6.2.3. Extraordinary variable remuneration

The Executive Director may be entitled to an extraordinary variable remuneration when the Board of Directors, in the case of singular operations, establishes remuneration linked to specific and previously set goals that encourage the achievement of objectives linked to said singular operations.

Similarly, and exceptionally, the Board of Directors may establish a remuneration in consideration of singular achievements that have decisively contributed to the results of the Company.

The extraordinary remuneration that, where appropriate, was approved by the Board of Directors must be recorded in the Annual Remuneration Report of the Directors that is submitted once a year to an advisory vote of the General Shareholders' Meeting.

6.2.4. Complementary variable remuneration

The Board of Directors has approved a supplementary variable remuneration plan (RVC) linked to the company's stock market revaluation.

The Complementary Variable Remuneration Plan is a non-consolidable remuneration plan linked to the stock market revaluation of the Company that includes as beneficiaries the management team, as well as the directors of the company that perform executive functions, and that gives them a percentage on the increase in the market capitalization of the Company, which may give rise, to the extent that such an increase exceeds at least 75 per cent, to an additional variable remuneration to be settled in shares.

The Complementary Variable Remuneration Plan covers the period of the Strategic Plan 2021-2025. Therefore, the period to be taken into consideration for calculating the stock market revaluation will cover from 1 January 2021 to 31 December 2025.

The Plan will be liquidated, in its entirety, all at once on the date of completion of the Plan, always conditioned on the fulfillment of the sustainability objectives established within the framework of the Company's Strategic Plan.

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

The maximum total cost of the Plan will be 1.8 percent over the 100 percent revaluation of the company's market capitalization, taking into consideration the following values:

- i. market capitalization on January 1, 2021 (in millions of Euros): 1,221.
- ii. market capitalization on December 2025 (in millions of Euros): 2,442.
- iii. Theoretical maximum amount to be received: 16,323,443 shares (taking as a reference a share value of €2.02 as of January 1, 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 capitalization of the Company: CEO 1.2 percent and the management committee and management team of the first level 0.60 percent.
- v. In the event that the revaluation of the company's market capitalization exceeds 150 percent with a ceiling of 200 percent, the CEO will be entitled to an additional 0.25 percent, which would mean 2,267,145 additional shares.

6.3. Assistance remuneration

The executive director's remuneration will be composed of the following elements:



(i) Health care insurance policy with reimbursement of medical expenses in favor of the Executive Director together with his/her relatives (spouse and dependent children).

(ii) An annual contribution to insurance, adapted to the legal nature of the relationship of the Executive Director, for the coverage of survival contingencies (the age at which he/she voluntarily accesses the legal situation of retirement), death and permanent disability in any of its degrees.

The beneficiary of such insurance shall be the Executive Director or persons designated by him/her for death coverage.

The annual contribution in the form of an insurance premium for the coverage of the survival contingency (until the age at which the Executive Director voluntarily accedes to the legal retirement situation) will be 28 percent of the total remuneration accrued by the Executive Director in the immediately preceding year.

The benefit defined for the coverage of the contingencies of death and permanent disability will be 125 percent of the fixed monetary remuneration at all times. The Company will pay the amount of premium corresponding to the insurance for its coverage annually.

6.4. Severance payments

The contract between the Executive Director and the Company establishes compensation in the event of (i) termination not due to non-compliance attributable to the Executive Director or (ii) resignation for reasons beyond the control of the Executive Director, which amounts to a gross amount equal of a maximum of 2.5 times the sum of the fixed remuneration and the variable remuneration received during the year immediately prior to that in which the event that entitled to such compensation took place.

6.5. Remuneration for post-contractual non-compete agreements

During the period of two years following the date of termination of the contract, unless such termination is due to voluntary access to retirement, death or disability or resignation or termination attributable to the Executive Director, he/she 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-compete agreement, which will be paid during the non-compete period.

6.6. Dedication program

The Board of Directors has approved a dedication program, aimed at both managers and directors of the company who perform executive functions which objective is to recognize the link and dedication to the Company throughout the provision of services of those who have remained more than 30 years in the company and who have held management positions or exercised executive functions in the last 10 years.

The program will be granted for a single time and will be settled in full on the date on which the event that entitles to its payment is fulfilled.

The determination of the final amount to be received will be calculated on the basis of the fixed remuneration, the variable remuneration and the LLP program, in the case of the CEO.

The program will be granted at the moment in which the functions of management or the functions of CEO are no longer performed, and its collection is totally incompatible with the collection of another type of compensation.

7. CONDITIONS OF THE CONTRACT OF THE EXECUTIVE DIRECTOR

The remuneration, rights and obligations of the Executive Director are determined in his/her contract, approved by the Board of Directors, and which conditions are:

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

Consequently, and unless expressly authorized by the Board of Directors of the Company, the Executive Director may not provide services, on his/her own account or as an employee, or develop another profession or occupation, neither in a remunerated manner nor free of charge, that may (a) impair the performance of his/her functions or (b) subtract time or dedication from the performance required for a position such as that the one he/she performs.

- Severance compensation: described in section 6.4. of the Remuneration Policy.
- Post-contractual non-compete agreement: described in section 6.5. of the Remuneration Policy.
- Dedication program: described in section 6.6. of the Remuneration Policy.

8. OTHER CONSIDERATIONS

In accordance with article 43.5 of the By-laws, Sacyr has subscribed a civil liability insurance policy for managers and directors of the Sacyr Group and, therefore, covers the managers and directors of the Company, including the Executive Director.

The remuneration system described above for the Executive Director will apply to any director who can join the Board of Directors to perform executive functions during the validity of the Remuneration Policy, with the appropriate adaptations determined by the Appointments and Remuneration Committee and the Board of Directors depending on the concurrent circumstances.



9. VALIDITY OF THE REMUNERATION POLICY

In accordance with the provisions of Article 529r(1), it is noted that this Remuneration Policy shall apply from the very date of its approval, and during the following three business years (2023, 2024 and 2025).

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

CONCLUSION

Taking into consideration the characteristics of the Remuneration Policy of Directors of Sacyr, S.A. 2023-2025, the Appointments and Remuneration Committee concludes that it is in accordance with the regulations, recommendations, supervisory environment and with the best practices; and, in short, allows Sacyr to have an adequate remuneration policy, aligned with the interests of shareholders and business strategy and the interests and long-term sustainability of the company.