



**PROPOSAL AND REPORT PREPARED BY  
THE BOARD OF DIRECTORS OF SACYR, S.A. REGARDING THE APPOINTMENT  
AS PROPRIETARY DIRECTOR OF MR. JOSÉ MANUEL LOUREDA MANTIÑÁN BY  
THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR THE 14  
AND 15 OF JUNE 2023 ON FIRST AND SECOND CALL, RESPECTIVELY.**

**Madrid, May 8, 2023**

## 1. Introduction and purpose of the report

The Board of Directors of Sacyr, S.A. ("the **Company**") prepares this report justifying the election of Mr. José Manuel Loureda Mantiñán (the "**Report**"), to fill the vacancy generated by the termination of the position of director of Prilou, S.L. in compliance with the provisions of sections 4 and 5 of article 529 *decies* of the Capital Companies Act ("**LSC**").

Pursuant to the provisions of the aforementioned article, the proposal for appointment of the members of the Board of Directors who are not considered independent directors (as in this case) is the responsibility of the Board of Directors. Such proposal must be accompanied by a report from the Board of Directors assessing (i) the competence, (ii) the experience and (iii) the merits of the proposed candidate and preceded by a report from the Appointments and Remuneration Committee ("the **Committee**").

## 2. Purpose of the Report

This Report is prepared by the Board of Directors of the Company within the framework of the foregoing in order to:

- (i) Evaluate the competence, experience and merits of the candidate proposed for appointment, regarding the performance of the position of proprietary director; and
- (ii) Justify the proposed appointment of Mr. José Manuel Loureda as proprietary director of the Company.

All of the above under the terms of section 5 of article 529 *decies* of the LSC.

Within the framework of the foregoing and in accordance with the provisions of section 6 of article 529 *decies* of the LSC, the Committee has reported favorably on said re-election. This report is attached as **Annex I** for better identification.

## 3. Assessment process

The Committee, due to the proximity of the end of the term of appointment as director of Prilou, S.L., initiated the corresponding process to assess; (i) the appointment of Mr. José Manuel Loureda Mantiñán, as proprietary director of the company, who until now had been the natural person representing the director Prilou, S.L., as well as (ii) his appointment as member of the Executive Committee and the Appointments and Remuneration Committee, whose positions were also held until now by Prilou, S.L.

#### **4. Appointments and Remuneration Committee Report**

In summary and within the framework of the abovementioned assessment process, the Committee, considering the work carried out to date by Mr. José Manuel Loureda Mantiñán as an individual appointed by Prilou, S.L., has considered and favorably assessed his appointment as a proprietary director, due to, among other factors, his previous experience and good work during the time holding his position in the Company.

Due to the foregoing, it has reported favorably on the appointment of Mr. José Manuel Loureda Mantiñán as proprietary director of the Company, for the following reasons:

- i) the excellent work performed to date by Mr. José Manuel Loureda Mantiñán, as the individual appointed to exercise the position of director by Prilou, S.L.;
- ii) the needs of the Board of Directors in terms of its comprising members;
- iii) the unimpeachable and impeccable performance carried out in the exercise of his position from the very moment he took office;
- iv) the deep technical and business knowledge thereof, as well as the adequacy of his professional profile to the particularities of the business developed by the Company;
- v) the availability of adequate skills, experience and merits to perform the position, accrediting a relevant academic training for the performance thereof;
- vi) his contributions, providing his perspective and knowledge of the market;
- vii) the receipt of favorable assessments from the other directors and, particularly, for the purposes of his appointment; and
- viii) his honorability, solvency, availability and commitment to the exercise of the functions of the position.

This shows that his appointment to the Board of Directors will bring significant advantages to this management body.

#### **5. Assessment of the competence, experience and merits of Mr. José Manuel Loureda Mantiñán**

The competence, experience and merits of Mr. José Manuel Loureda Mantiñán can be inferred from his career in the business world, from which his capabilities for the position of proprietary director are derived. By way of summary, it should be noted that:

- (i) Mr. José Manuel Loureda Mantiñán meets all the requirements for appointment as a director, as set forth in Sacyr's Policy for the selection, appointment and re-election of directors ("the **Selection Policy**");
- (ii) he has extensive experience in areas of great value to Sacyr;
- (iii) his professional profile is highly qualified and suitable for the performance of the duties of Company director, both for his extensive experience and merits in relevant sectors, as well as for his in-depth knowledge in various business fields and for the maintenance of the diversity of knowledge and experience on the Board of Directors;
- (iv) his previous experience continues to be of enormous benefit in the supervision and control of the Company;

In summary, it is the understanding of this Board of Directors that the candidate, meets the requirements of honorability, suitability, recognized solvency, competence, experience, qualifications, training, availability and commitment proper and necessary to be a part of the Board of Directors of the Company, in accordance with the requirements set forth under the Selection Policy.

## **6. Justification of the Board of Directors' proposal**

The Board of Directors understands that, in order for a director to adequately perform his or her supervisory and control duties in the Company, he or she must adequately combine sufficient skills and competencies in the following areas:

- (i) knowledge of the sectors in which the Company operates;
- (ii) experience and knowledge in commercial aspects;
- (iii) experience and knowledge of the geographic markets most relevant to the Company; and
- (iv) experience and expertise in management, leadership and business strategy.

Likewise, the candidate must meet all the requirements set forth under the Selection Policy in order to be proposed for said appointment.

The performance already carried out in the Company by Mr. José Manuel Loureda Mantiñán to date accredits his competence, experience and qualifications to be appointed to the position of director. His extensive experience as an individual appointed by the shareholder Prilou, S.L., guarantees the

contribution of plural points of view to the discussion of matters in the Board of Directors. Likewise, he more than meets the requirements and demands set forth under the Selection Policy.

In addition, the Board of Directors understands that all directors must be:

- (i) an honorable, suitable person of recognized solvency, competence, experience, qualification, training, availability and commitment to his function; and
- (ii) a professional of integrity whose conduct and professional career is clearly aligned with the principles set out in the Sacyr Group's Code of Conduct and with the rest of its Corporate Governance System.

The foregoing, as well as the reasons advocated by the Committee for such appointment (which this body endorses), leads the Board of Directors to understand that the appointment of Mr. Jose Manuel Loureda Mantiñán as a director of the Company is justified and convenient, with the conviction that his appointment will allow continuing to have profiles in the Board of Directors that are considered valuable for the development of the Company's activity.

## **8. Conclusion of the Board of Directors**

Due to the foregoing, the Board of Directors considers it justified that Mr. Jose Manuel Loureda Mantiñán be appointed as a director of the Company, as a proprietary director.

Consequently proposes his appointment as proprietary director of the Company to the Ordinary General Shareholders' Meeting called for June 14 and 15, 2023 on first and second call, respectively.

Mr. José Manuel Loureda Mantiñán meets the conditions required in art. 529 *duodecies* 3 of the LSC to be appointed as a proprietary director as he was appointed in representation of the significant shareholder Prilou, S.L.

## **9. Proposed resolution to be submitted to the Ordinary General Shareholders' Meeting**

The proposed resolution submitted for approval by the Ordinary General Shareholders' Meeting is as follows:

*"To appoint Mr. José Manuel Loureda Mantiñán for the statutory term of four years, whose details are recorded in the Madrid Commercial Registry, as director and with the qualification or category of proprietary director, following a report from the Appointments and Remuneration Committee".*

Madrid, May 8, 2023.

## ANNEX I

### REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF SACYR, S.A. REGARDING THE APPOINTMENT AS PROPRIETARY DIRECTOR OF MR. JOSÉ MANUEL LOUREDA MANTIÑÁN BY THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR THE 14 AND 15 OF JUNE 2023 ON FIRST AND SECOND CALL, RESPECTIVELY

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#### 1. Introduction

The Board of Directors of Sacyr, S.A. (the "**Company**") intends to submit to the Ordinary General Shareholders' Meeting of the Company the appointment of Mr. José Manuel Loureda Mantiñán as a proprietary director of the Company, in accordance with the provisions of section 5 of article 529 *decies* of the Capital Companies Act ("**LSC**").

Within the framework of the foregoing, section 6 of article 529 *decies* of the LSC establishes that the proposal for appointment or re-election of any non-independent director must also be preceded by a report from the Appointments and Remuneration Committee (the "**Committee**").

The Committee, in view of the proximity of the end of the term of appointment as director of Prilou, S.L., initiated the corresponding process to assess; (i) the appointment of Mr. José Manuel Loureda Mantiñán, as proprietary director of the Company, who until now had been the natural person representing the director Prilou, S.L., as well as (ii) his appointment as member of the Executive Committee and the Appointments and Remuneration Committee, whose positions were also held until now by Prilou, S.L.

Pursuant to Article 17.7 a) and d) of the Regulations of the Board of Directors of Sacyr, S.A., the Committee is also responsible for assessing the skills, knowledge and experience required on the Board of Directors and, for such purposes, defining the functions and aptitudes required of the candidates to fill each vacancy, as well as assessing the time and dedication required for them to effectively perform their duties.

#### 2. Candidate Profile

##### Profile and professional experience

Born in Betanzos (A Coruña) in 1939. Civil Engineer by the Escuela Técnica Superior

de Ingenieros de Caminos de Madrid promotion 1964.

Mr. José Manuel Loureda Mantiñán began his professional career at Ferrovial in 1965, where he worked until 1986, holding positions from Site Manager to Deputy Director of Construction, actively participating in all the civil works built by Ferrovial during that period.

Founder of Sacyr, where he was CEO until 2000, and Chairman until 2003. From 2003 to 2004, and after the merger of Sacyr with Vallehermoso, he was Chairman of the Sacyr Vallehermoso Group until November 10, 2004. During the years 1998-2004 he held the presidencies of the Elqui and Los Lagos concessionaires in the Republic of Chile, as well as the vice-presidency of Autopista Vasco Aragonesa, Avasa, Bilbao, Zaragoza, whose 50 % shareholding had been acquired in 2000.

He was a proprietary director of Repsol from 2007 to 2021. Former Director of Avasa, Itinere and Testa. Vice-Chairman of the Association of Civil Engineers in the period of 2012-2016. In 2003 this Association awarded him the medal of honor of the profession.

In 2008 the Victoriano Reinoso prize awarded by the business association of Galicia (Aegama). In 2009 he was named brother of Santo Domingo de la Calzada.

### **3. Category of director to which he should be assigned to**

Mr. José Manuel Loureda Mantiñán meets the conditions required in art. 529 *duodecies* 3 of the LSC to be appointed as a proprietary director as he is appointed in representation of the significant shareholder Prilou, S.L.

### **4. Availability**

The Committee has analyzed the work performed and the dedication of the director in his last term of office, as an individual representing a shareholder on the Board.

In the last four years, it has been noted that he has adequately performed his duties and has been positively evaluated, as well as his attendance and informed participation at 100% of the meetings of the Board of Directors held and at 100% of the meetings of the Appointments and Remuneration Committee and the Executive Committee during the same period.

Likewise, before the beginning of each business year, the Board of Directors of the Company prepares a schedule of ordinary meetings, both of the plenary and of its committees, adapting the Company's needs to the dedication committed by the directors.

Based on the foreseen schedule, the candidate's effective availability to prepare for each meeting of the Board of Directors and of the Delegated Committees of which he is a member and to provide the dedication required for the performance

of the position of director has been verified with the candidate.

**5. Assessment and verification process of compliance with the requirements to become a director of the Company.**

When assessing the proposal made by the Board of Directors for the appointment of Mr. José Manuel Loureda Mantiñán as proprietary director, the Committee has analyzed;

- (i) the work performed and the dedication of Mr. Loureda as an individual who has represented Prilou, S.L. since his appointment and, in particular, during the previous term of office. To this effect, the Committee has noted the adequate performance of his position and positive evaluation, as well as his attendance and informed participation.

Likewise, it has been able to verify the effective availability of the candidate to prepare the meetings of the Board of Directors in accordance with the calendar of ordinary meetings, both of the plenary and of its committees, prepared by the Company, providing the dedication required for the performance of the position of director.

- (ii) In accordance with the provisions of the *Policy for the selection, appointment and re-election of directors of Sacyr, S.A.*, and in order to achieve an appropriate diversity within the Board of Directors that favors the diversity of skills, backgrounds, origins, knowledge, experience, age and gender within the Board of Directors, it has considered:

- (a) The excellent work performed to date by Mr. José Manuel Loureda Mantiñán, as the natural person appointed to the position of director by Prilou, S.L.

- (b) The needs of the Board of Directors in terms of its members;

- (c) The unimpeachable and impeccable performance carried out in the exercise of his position from the very moment he took office;

- (d) The deep technical and business knowledge thereof, as well as the adequacy of his professional profile to the particularities of the business developed by the Company;

- (e) The availability of adequate skills, experience and merits to perform the position, accrediting a relevant academic background for the performance thereof;

- (f) His contributions by providing his perspective and knowledge of the market;



- (g) The receipt of favorable assessments from the other directors and, particularly, for the purposes of their appointment; and
  - (h) His honorability, solvency, availability and commitment to the exercise of the functions of the position.
- (iii) Mr. Loureda's conduct and professional career continue to be fully aligned with the principles set forth in Sacyr's Code of Ethics and Conduct and with the Company's corporate Purpose and Values, and that he is not involved, directly or indirectly, in any of the causes of incompatibility, prohibition, conflict or opposition of interests with the corporate interest set forth in general provisions or in the internal rules of the Corporate Governance System for the exercise of the position of director.

The Committee has proposed the preparation and approval of a skills matrix to identify the skills, knowledge, experience and circumstances existing in the Board of Directors and to determine those that should be strengthened in the future, as a mechanism for analyzing the composition of the Board of Directors as a whole and as a fundamental instrument in the process of renewing directors, the approval of which will be submitted to the Board of Directors.

In addition, the Committee, for the purposes of this report and the assessment process that goes along with it, considers it advisable that the proposals for re-election and appointment of directors be aimed at maintaining or strengthening the governing body: (i) including different profiles and experiences that are aligned with the Company's strategic values; (ii) continuing to increase the diversity of the body in, among other matters, professional experience, competencies, personal skills, sectorial knowledge, gender, age, geographic origin, and/or cultural origin; (iii) seeking a balanced composition among the different categories of directors, ensuring a majority presence of non-executive directors, the majority of whom are independent, reaching with the set of proposals in this general meeting 50 percent of independent directors, as well as an adequate representation of proprietary directors; and (iv) promoting a gradual renewal of its members, combined with the necessary existence of profiles that have an extensive experience and knowledge of the Company, the Group, the business and the sector in general.

Due to foregoing the Committee considers it appropriate to appoint Mr. José Manuel Loureda Mantiñán as a member of the Board of Directors.

## **6. Conclusions of the Appointments and Remuneration Committee**

The Committee places a high value on the candidate's profile, skills and experience and, expressly, his honorability, suitability, solvency, competence, experience, qualifications, training, availability and capacity to commit to the duties of the position as verified in each of the annual assessments of his individual performance.

All the aspects considered by the Committee lead to a favorable report to the Board of Directors on the appointment of Mr. José Manuel Loureda Mantiñán as proprietary director.

The Committee also considers it favorable that Mr. José Manuel Loureda Mantiñán is to be appointed as a member of the Executive Committee and the Appointments and Remuneration Committee.

## **7. Favorable report**

Consequently, the Committee, in view of the foregoing, considers it justified and reports favorably that:

*"For Mr. José Manuel Loureda Mantiñán to be proposed for appointment as director of the Company with the category of proprietary director, supporting the proposal of the Board of Directors to be submitted to the Ordinary General Shareholders' Meeting called for the 14 and 15 of June 2023 on first and second call, respectively".*

Madrid, May 4, 2023.