

**PROPOSAL AND REPORT PREPARED BY
THE BOARD OF DIRECTORS OF SACYR, S.A. IN RELATION TO THE RE-ELECTION AS
EXECUTIVE DIRECTOR OF MR. MANUEL MANRIQUE CECILIA 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. ("**Company**") prepares this report justifying the re-election of Mr. Manuel Manrique Cecilia as a director of the Company (the "**Report**"), 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 is the case) corresponds to the Board of Directors. Such proposal must be accompanied by a supporting 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

Within the framework of the foregoing, regarding the proposal of the Board of Directors to re-elect Mr. Manuel Manrique Cecilia as executive director of the Company, this Report is prepared for the purpose of:

- (i) Evaluate the competence, experience and merits of the candidate proposed for appointment, in relation to the performance of the position of executive director; and
- (ii) Justify the proposal;

all in accordance with 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. Likewise, in support of the report on the suitability of the candidate Mr. Manuel Manrique Cecilia, an **independent expert's report** on the re-election of the Chairman and Chief Executive Officer by the firm Morrow Sodali ("**Morrow Report**") has been prepared and will be made available to the shareholders with the documentation of the Ordinary General Shareholders' Meeting.

3. Assessment process

The Appointments and Remuneration Committee, in view of the proximity of the end of the term of appointment as director of Mr. Manuel Manrique Cecilia, initiated the corresponding process to assess the re-election, both as director and chief executive of the Company, as well as his re-election as member and Chairman of the Executive Committee.

As part of this assessment process, and in accordance with the regulatory requirements and recommendations of good corporate governance as well as the Company's internal rules and policies, Morrow Sodali, in its capacity as

independent external expert, was asked to prepare a report regarding the re-election of the candidate for Chairman and Chief Executive Officer.

Likewise, the Committee has prepared a matrix proposal of competencies, regarding the re-election of Mr. Manuel Manrique Cecilia and the rest of the candidates submitted for appointment or re-election, which has been submitted to the Board of Directors for its approval in order to ensure the best composition of the Board of Directors in terms of competencies, experience, origin, age, profession and gender.

Finally, the Committee has assessed the existence of possible conflicts of interest and the suitability of Mr. Manrique Cecilia's profile to the needs of the Board in relation to the proposal for the re-election of Mr. Manrique Cecilia (executive director) to be submitted to the General Shareholders' Meeting.

Consequently, this assessment, supported by the matrix and the independent expert's report, was aimed at achieving an adequate diversity within the Board of Directors to ensure that it maintains a combination of skills, knowledge and sector experience adapted to the characteristics of the Company, and that this body is updated in the competencies it needs to perform its functions and to reinforce the sustainability and long-term value of the Company and its group ("**Sacyr Group**").

4. Appointments and Remuneration Committee Report

As a conclusion of the assessment process, the Committee, by means of its corresponding report and based, among other aspects, on the report prepared by the independent expert, has reported favorably in relation to the proposed re-election of Mr. Manuel Manrique Cecilia as Chief Executive Officer of the Company, as well as his re-election as member and Chairman of the Executive Committee, in view of, among other factors:

A) Personal and professional profile

The Morrow Report describes in detail the biographical data, achievements and recognitions that define his personal profile, describes his professional career in Sacyr, highlighting his character as a founding partner, and the conclusions of his performance in the Company by the external evaluators.

Likewise, within the scope of the matrix of competencies of the Board of Directors of Sacyr, the skills provided by Mr. Manuel Manrique Cecilia as executive director of the Company are identified.

The Committee has concluded, following the above analysis, that Mr. Manuel Manrique Cecilia, Chairman and Chief Executive Officer of Sacyr, possesses transversal and business skills that are particularly relevant to the Board and the success of Sacyr, and is therefore considered to be the ideal candidate for the executive leadership of Sacyr as a whole.

B) Sacyr during the term of office of the Chairman Mr. Manuel Manrique Cecilia

The Committee has carried out an in-depth analysis of the performance of the Chairman, Mr. Manuel Manrique Cecilia, during his term of office in relation to the following parameters:

(i) Share price performance: Sacyr's share has performed outstandingly - Total Shareholder Return ("TSR") has not been affected by the single role of Chairman and CEO, outperforming most of its peers where the roles are separated. Due to the strategy defined by Chairman and CEO Mr. Manuel Manrique Cecilia, Sacyr has outperformed its peers following the Covid-19 pandemic.

(ii) Analyst coverage: The Chairman and CEO's leadership is supported by the analyst community, where the market consensus has set the target price stably above the market price (between +25% and +49%), which makes Sacyr an investment opportunity. Sacyr is one of the two companies in its sector in Spain that has no sell recommendations. The company enjoys a very positive view among analysts, resulting in 13 buy recommendations out of the 14 analysts covering the company.

(iii) Shareholder return: Shareholder return is very significant, in terms of capitalization and dividends.

(iv) Financial achievements: Sacyr's revenue and profitability have grown significantly, showing a solid and robust trend. Financial discipline and greater control of financial risks have allowed Sacyr to substantially increase operating cash flow and therefore reduce net recourse debt.

(v) ESG achievements: International ESG rating agencies have consistently recognized that Sacyr's ESG practices are positive, rating the company as having a low-risk ESG profile.

- Environmental achievements: Sacyr has achieved considerable objectives in the most critical environmental indicators in the sector. In addition, it is working on the achievement of upcoming climate targets.
- Social achievements: Internally and externally (Sacyr Foundation), Sacyr pursues the highest social objectives.
- Corporate governance achievements: Sacyr's corporate governance practices have been developed and are constantly improving.

(vi) Strategic Plan 2021-2025: Sacyr met all the objectives of the 2015-2020 Strategic Plan. The most important objectives were the focus on the concession business and its profitability, debt reduction and cash generation. Part of Sacyr's 2021-2025 Strategic Plan has been completed ahead of schedule.



Together with the 2021-2025 Strategic Plan, by the end of 2022, the level of achievement of the Sustainable Sacyr 2021-2025 Action Plan reaches 71% and is still in progress in 2023.

Several strategic developments are underway. Once concluded, Sacyr will have a better vision of its new context to define the new Strategic Plan.

In accordance with the above conclusions, the result of these parameters allows the Committee to consider the re-election of Mr. Manuel Manrique Cecilia as executive director of the Company to advance and finalize the 2021-2025 Strategic Plan and to define, once the key strategic developments have been concluded, the new Strategic Plan.

C) Corporate Governance Framework

The Committee has also conducted an in-depth analysis of the governance structure of this Company and the composition of the Board, as well as the immediate and short-term commitments of the Company, in order to evaluate the re-election of Mr. Manuel Manrique Cecilia within this framework of improving Corporate Governance. In this regard, it should be noted that:

- (i) The strategic achievements described above are the result of the division of responsibilities between the Chairman and CEO Mr. Manuel Manrique Cecilia and the deputy CEOs of the business units, similar to other industry comparable values where the role of the group CEO is limited to overseeing the group's strategy and risk.
- (ii) The composition of Sacyr's Board of Directors reflects the shareholder structure. This representation will also be more in line with the proposals presented for consideration and voting at the Ordinary General Shareholders' Meeting in relation to reaching 50% of independent directors (by increasing the total number of directors by one and proposing an independent director for this new position), which results in a reduction in the percentage of proprietary directors in the Company. The independence of the Board of Directors will further reflect the weight of floating capital at the 2023 Meeting.
- (iii) The composition of the Board of Directors complies with most of the best practices of good national and international corporate governance.
- (iv) The Lead Independent Director (LID) maintains an active role and attests to the proper operation of the Board of Directors.

The Company has expressed its desire and commitment to increase its compliance with international best practices and the requirements of shareholders, investors and proxy advisors, even though the Company has a

positive assessment in terms of corporate governance, and proposes the following improvements, the achievement of which will begin in the proposed resolutions to be presented at the next Ordinary General Shareholders' Meeting and will be completed in 2025. Specifically, these are the proposed improvements:

- (v) Regarding the composition of the Board of Directors:
 - Independent directors will represent 50% of the Board of Directors.
 - Gender diversity continues the trend of achieving 29% female directors after the General Meeting. By 2025, Sacyr is committed to reaching at least 40% female representation.
 - Although the size of the Board of Directors increases from 13 to 14 directors, Sacyr's Bylaws establish a maximum size of up to 19 directors. At the 2023 General Meeting, it is proposed to amend the Bylaws to set the maximum limit at 15 directors, in accordance with international best practices and the local Code of Good Governance.
 - Although none of Sacyr's directors are in a situation of overboarding, Sacyr, in line with international best practice, is reducing the limit for sitting on other boards of listed companies by amending the Board of Directors Regulations.

- (vi) Regarding the rules that make up the Corporate Governance System, the proposed improvements are as follows:
 - To complete the powers and functions of the Coordinating Director and limit his/her term of office to guarantee his/her independence.
 - Limit the casting vote of the Chairman of the Board.
 - Reduction of the maximum size of the Board of Directors from 19 to 15 members.
 - Sacyr Group coordination policy.
 - Publication of individual attendance to the meetings of the Board of Directors and the Delegated Committees.

D) Personal assessment

Pursuant to section 8 of Sacyr's Policy for the Selection, Appointment and Re-election of Directors, particularly in the case of executive directors who, at the time when their re-election is considered, have reached retirement age (65-67 years), an express assessment shall be made as to whether their age constitutes an impediment or hinders the performance of the executive duties entrusted to them. For such purposes, the Committee, after analysis of its proceedings in recent years, has concluded that in view of the following:

- (i) The level of dedication: Attendance to all meetings of the Board of Directors during the 2019-2022 period.
- (ii) Successful performance of Sacyr: During his/her executive leadership, the company has obtained optimal business, financial and ESG results.

- (iii) Compliance with the 2021-2025 Strategic Plan: The high level of achievement of the Plan's objectives: many of them have been met before 2025.

Therefore, the Committee has confirmed that there are no objections to the Executive Chairman Mr. Manuel Manrique Cecilia being re-elected in an executive capacity at the next Ordinary General Shareholders' Meeting in 2023.

E) Division of the Chairmans's executive functions

As a result of a thorough analysis conducted by the Appointments and Remuneration Committee regarding international best practices, investor expectations and Sacyr's leadership, there is a commitment in 2025 to split the current combination of Chairman and CEO into two separate executive functions.

F) Availability

Before the beginning of each business year, the Board of Directors of the Company prepares a calendar of ordinary meetings, both of the plenary and of its committees, adapting the needs of the Company to the dedication committed by the directors.

Based on the foreseen schedule, the candidate's effective availability has been verified with the candidate to prepare for each Board of Directors meeting and to provide the dedication required for the performance of the position of Board Member.

Likewise, the Committee has highlighted that Mr. Manrique Cecilia's participation in the meetings of the Board of Directors and the Executive Committee during this term of office has been 100%.

The Committee has valued very favorably the candidate's profile, skills and experience and, expressly, his honorability, suitability, solvency, competence, experience, qualifications, training, availability and capacity for commitment to the duties of the position as verified in each of the annual evaluations of his individual performance.

In this regard, the Committee wished to highlight the performance of Mr. Manuel Manrique Cecilia during the term of office that is now ending, the suitability of his professional profile to the characteristics of the businesses developed by the Sacyr Group, his extensive knowledge of the sectors in which he operates and his international character, as well as his continuous strategic vision and his constant and firm commitment to rigorous, responsible and diligent management that has allowed him to establish and develop the implementation of a general strategy and the basic management guidelines established by the Board of Directors.

Likewise, the Committee has verified that the conduct and professional career of Mr. Manuel Manrique Cecilia are fully aligned with the internal rules set forth in the Code of Ethical Conduct and the Purpose and Values set forth therein, and that he is not directly or indirectly involved 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 Corporate Governance System for the exercise of the position of director.

All the aspects considered by the Committee lead to verify that the general requirements for all directors of the Company are met, in accordance with the provisions of the law and the Corporate Governance System and, consequently, to report favorably to the Board of Directors on the appointment of Mr. Manuel Manrique Cecilia as executive director.

The Committee also considered it favorable that Mr. Manuel Manrique Cecilia be appointed as member and Chairman of the Executive Committee.

5. Assessment of the candidate's competence, experience and merits

The competence, experience and merits of Mr. Manuel Manrique Cecilia can be seen in his curriculum vitae, from which his capabilities for the position of executive director are derived. By way of summary, it is worth mentioning:

- (i) Mr. Manuel Manrique Cecilia holds a degree in Civil Engineering from the Escuela Técnica Superior de Madrid;
- (ii) As part of the founding core of the Company, his first appointment in Sacyr, S.A. (listed company) as Director and Chief Executive Officer was on November 10, 2004, reaching the position of Executive Chairman of the Company on October 20, 2011;
- (iii) He has held positions of the highest responsibility in other companies as indicated in his curriculum vitae and in the Morrow Report.

In summary, in the understanding of this Board of Directors, the candidate meets the requirements of suitability, competence, experience, training, merit and commitment that are proper and necessary to be the first executive of the Company's Board of Directors, as well as the special requirements established in Sacyr's Selection, Appointment and Re-election Policy.

6. Justification of the Board of Directors' proposal

The Board of Directors believes that the existence of an Executive Chairman is the most appropriate, efficient and prudent alternative for the management of the Sacyr Group's businesses, in view of their special complexity, where deep involvement and dedication to high-level strategic decision-making, as well as leadership capacity, are key factors. The Morrow Report also includes a description of the current operation of the division of responsibilities between the

Chairman and CEO, Mr. Manuel Manrique Cecilia, and the Deputy CEOs of the business units.

Lastly it should be recalled, as a result of an in-depth analysis conducted by the Committee regarding international best practices, investor expectations and Sacyr's leadership, there is a commitment in 2025 to split the current combination of Chairman and CEO into two separate executive functions.

Within the framework of the foregoing, the Board of Directors considers that in order for the chief executive of the Company to be able to adequately exercise his supervisory and control functions, as well as the other functions inherent to the position, he must combine them in an appropriate manner:

- (i) Be an honorable, suitable person of recognized solvency, competence, experience, qualification, training, availability and commitment to his position; 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 Ethics and Conduct and with the rest of its Corporate Governance System.
- (iii) To have the capacity for leadership and coordination of all the Sacyr Group's businesses in all the territories in which it operates;
- (iv) Commitment, depth, presence and involvement in the businesses of the Company and the Sacyr Group;
- (v) Knowledge of and experience in the sectors in which the Company and the Sacyr Group operate; and
- (vi) Experience in the most relevant geographic markets for the Company and the Sacyr Group.

The trajectory and curriculum vitae of Mr. Manuel Manrique Cecilia demonstrate his competence and merits to occupy the position of executive director. His extensive experience in the Company and his profound knowledge guarantees a correct continuity in the successful management of the Company's interests.

The foregoing, as well as the reasons advocated by the Committee for such appointment (which this body endorses), means that the Board of Directors considers that the re-election of Mr. Manuel Manrique Cecilia as executive director of the Company is justified and appropriate, in the belief that such re-election will provide continuity to the excellent management of the Company and the Sacyr Group carried out to date.

7. Conclusion of the Board of Directors

The Board of Directors, in view of the foregoing, considers it justified that Mr. Manuel Manrique Cecilia be re-elected as a director, with the category of executive.

Consequently, the Board of Directors proposes his re-election as a director, with the category of executive, to the Ordinary General Shareholders' Meeting called for June 14 and 15, 2023 at first and second call, respectively.



8. Category of director to which he belongs or to which he is to be assigned

As stated above, the candidate will have the status of executive director of the Company.

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:

"Pursuant to the proposal of the Board of Directors, and after a report from its Appointments and Remuneration Committee, to reelect, and to the extent necessary appoint, as a director of the Company, Mr. Manuel Manrique Cecilia, whose details are recorded in the Madrid Commercial Registry, for the statutory term of four years and with the qualification or category of executive director."

Madrid, May 8, 2023.

ANNEX I

REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF SACYR, S.A. REGARDING THE RE-ELECTION AS EXECUTIVE DIRECTOR OF MR. MANUEL MANRIQUE CECILIA BY THE ORDINARY SHAREHOLDERS GENERAL MEETING CALLED FOR THE 14 AND 15 OF JUNE, 2023, ON FIRST AND SECOND CALL, RESPECTIVELY

1. Introduction

The Board of Directors of Sacyr, S.A. (the "**Company**") is considering submitting to the Ordinary General Shareholders' Meeting of the Company the proposal to re-elect Mr. Manuel Manrique Cecilia as director of the Company, with the category of executive, 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 Appointments and Remuneration Committee is also responsible, pursuant to Article 17.7 a) and d) of the Regulations of the Board of Directors of Sacyr, S.A. (the "**Board Regulations**"), for assessing the skills, knowledge and experience required on the Board of Directors and, for such purposes, defining the responsibilities and aptitudes required of the candidates to fill each vacancy, as well as assessing the time and dedication required for them to be able to effectively perform their duties.

In accordance with Sacyr's Policy for the Selection, Appointment and Re-election of Directors (the "**Selection Policy**"), section 8 stipulates that, in the case of executive directors who, at the time their re-election is considered, have reached retirement age (65-67 years), an express assessment shall be made as to whether age constitutes an impediment or hinders the performance of the executive duties entrusted to them.

2. Purpose of the Report

The purpose of this report (the "**Report**") is to assess the appointment proposal that the Board of Directors intends to make of the executive director Mr. Manuel Manrique Cecilia, in compliance with the provisions of section 6 of article 529 *decies* of the LSC and the provisions of the Board of Directors Regulations and Sacyr's Selection Policy.

Mr. Manrique Cecilia was re-elected for the last time as a director of the Company, for a term of four years, at the General Shareholders' Meeting held on June 13, 2019.

In view of the fact that the term for which Mr. Manrique Cecilia was appointed director of the Company ends in this 2023 business year, the Committee has examined the appropriateness of his re-election and has carried out the necessary verifications and assessments supported by an independent expert.

3. Assessment process

The Committee, due to the proximity of the end of the term of appointment as director of Mr. Manuel Manrique Cecilia, initiated the corresponding process to assess; (i) the appointment of Mr. Manuel Manrique Cecilia, as executive director of the Company, as well as (ii) his appointment as member of the Executive Committee, whose position was also held to date by Mr. Manuel Manrique Cecilia.

As part of this assessment process, and in accordance with both the regulatory requirements and recommendations of good corporate governance and the provisions of the Company's internal rules and policies, Morrow Sodali ("**Morrow**"), in its capacity as independent expert, has been commissioned to prepare a report on the re-election of the Executive Chairman, which will be made available to shareholders as soon as the Meeting is convened.

Therefore, the assessment of the candidate has been carried out with the goal of achieving an adequate diversity within the Board to ensure that it maintains a combination of skills, knowledge and sectorial experience adapted to the characteristics of the Company, and to ensure that this body is updated in the skills it needs to perform its functions and to reinforce the sustainability and long-term value of the Company and its group ("**Sacyr Group**").

4. Category of director to which he should be assigned

Mr. Manuel Manrique Cecilia meets the conditions required in article 529 *duodecies* 3 of the LSC to be appointed as executive director.

5. Aspects considered by the Appointments and Remuneration Committee

The Appointments and Remuneration Committee, and endorsing the contents of the Morrow report, has taken into consideration the following factors when assessing the proposal made by the Board of Directors for the appointment of Mr. Manuel Manrique Cecilia as executive director:

5.1. Personal and professional profile

The Morrow Report describes in detail the biographical data, achievements and recognitions that define his personal profile, describes his professional career in Sacyr, highlighting his character as a founding partner, and the conclusions of his performance in the Company by the external evaluators.

Within the scope of the matrix of competencies of the Board of Directors of Sacyr, the skills provided by Mr. Manuel Manrique as executive director of the Company are also identified.

The Committee concludes, following the above analysis, that Mr. Manuel Manrique, Chairman and Chief Executive Officer of Sacyr, possesses transversal and business skills that are particularly relevant to the Board and the success of Sacyr, and is therefore considered to be the appropriate candidate for the executive leadership of Sacyr as a whole.

5.2. Sacyr during the term of office of the Chairman Mr. Manuel Manrique Cecilia

The Committee has carried out an in-depth analysis of the performance of the Chairman, Mr. Manuel Manrique Cecilia, during his term of office in relation to the following parameters:

- (i) Share price performance: Sacyr's share has performed outstandingly - Total Shareholder Return ("TSR") has not been affected by the single role of Chairman and CEO, outperforming most of its peers where the roles are separated. Due to the strategy defined by Chairman and CEO Mr. Manuel Manrique Cecilia, Sacyr has outperformed its peers following the Covid-19 pandemic.
- (ii) Analyst coverage: The Chairman and CEO's leadership is supported by the analyst community, where the market consensus has set the price target stably above the market price (between +25% and +49%), making Sacyr an investment opportunity. Sacyr is one of the two companies in its sector in Spain that has no sell recommendations. The company enjoys a very positive view among analysts, resulting in 13 buy recommendations out of the 14 analysts covering the company.
- (iii) Shareholder returns: Shareholder returns are very significant, in terms of capitalization and dividends.
- (iv) Financial achievements: Sacyr's revenue and profitability have grown significantly, showing a solid and robust trend. Financial discipline and greater control of financial risks have allowed Sacyr to substantially increase operating cash flow and therefore reduce net recourse debt.
- (v) ESG achievements: International ESG rating agencies have consistently recognized that Sacyr's ESG practices are positive, rating the company as having a low-risk ESG profile.
 - *Environmental achievements*: Sacyr has achieved considerable objectives in the most critical environmental indicators in the sector. In addition, it is working on the achievement of upcoming climate targets.
 - *Social achievements*: Internally and externally (Sacyr Foundation), Sacyr pursues the highest social objectives.
 - *Corporate governance achievements*: Sacyr's corporate governance practices have been developed and are constantly improving.
- (vi) Strategic Plan 2021-2025: Sacyr met all the objectives of the 2015-2020

Strategic Plan. The most important objectives were the focus on the concession business and its profitability, debt reduction and cash generation. Part of Sacyr's 2021-2025 Strategic Plan has been completed ahead of schedule.

Together with the 2021-2025 Strategic Plan, by the end of 2022, the level of achievement of the Sacyr Sustainable 2021-2025 Action Plan reaches 71% and is still in progress in 2023.

Several strategic developments are underway. Once concluded, Sacyr will have a better vision of its new context to define the new Strategic Plan.

In accordance with the above conclusions, the result of these parameters allows the Committee to consider the re-election of Mr. Manuel Manrique Cecilia as executive director of the Company to advance and finalize the 2021-2025 Strategic Plan and to define, once the key strategic developments have been completed, the new Strategic Plan.

5.3. Corporate Governance Framework

The Committee has also conducted an in-depth analysis of the governance structure of this Company and the composition of the Board, as well as the immediate and short-term commitments of the Company, in order to evaluate the re-election of Mr. Manuel Manrique Cecilia within the framework of improving Corporate Governance. In this regard, it should be noted that:

- (i) The strategic achievements described above are the result of the division of responsibilities between the Chairman and CEO Mr. Manuel Manrique Cecilia and the deputy CEOs of the business units, similar to other industry comparable systems where the role of the group CEO is limited to overseeing the group's strategy and risk.
- (ii) The composition of Sacyr's Board reflects the shareholder structure. This representation will also be more closely aligned with the proposals submitted for the consideration and voting at the Ordinary General Meeting in relation to reaching 50% of independent directors (by increasing the total number of directors by one and proposing a female independent director for this new position), which results in a reduction in the percentage of proprietary directors in the Company. The independence of the board will better reflect the weight of floating capital in the 2023 Meeting.
- (iii) The composition of the Board of Directors complies with most of the best practices of good national and international corporate governance.
- (iv) The Lead Independent Director (LID) plays an active role and ensures the proper operation of the Board.

The Company has expressed its desire and commitment to increase its compliance with international best practices and the requirements of shareholders, investors and proxy advisors, and proposes the following improvements, the achievement of

which will begin in the proposed resolutions to be submitted at the next ordinary general meeting and will end in 2025. These are the specified proposed improvements:

- (i) In relation to the composition of the Board of Directors:
 - Independent directors will represent 50% of the Board.
 - Gender diversity continues the trend of achieving 29% female board members after the Meeting. By 2025, Sacyr is committed to reaching at least 40% female representation.
 - Although the size of the Board increases from 13 to 14 directors, Sacyr's bylaws establish a maximum size of up to 19 directors. At the 2023 Meeting, it is proposed to amend the bylaws to set the maximum limit at 15 directors, in accordance with international best practices and the local Code of Good Governance.
 - Although none of Sacyr's directors are in a situation of *overboarding*, Sacyr, in line with international best practice, is reducing the limit for sitting on other boards of listed companies by amending the Board Regulations.

- (ii) The proposed improvements are as follows regarding the rules that make up the Corporate Governance System:
 - To complete the powers and responsibilities of the Coordinating Director and limit his/her mandate to guarantee his/her independence.
 - Limit the casting vote of the Chairman of the Board.
 - Reduction of the maximum size of the Board of Directors from a maximum of 19 to 15 members.
 - Sacyr Group coordination policy.
 - Publication of individual attendance at the meetings of the Board and the Delegated Committees.

5.4. Personal assessment

Pursuant to section 8 of the Selection Policy, particularly in the case of executive directors who, at the time their re-election is considered, have reached retirement age (65-67 years), an express assessment will be made as to whether age constitutes an impediment or hinders the performance of the executive duties entrusted to them. For such purposes, the Committee, after analysis of its actions in recent years, has concluded that in view of the following:

- (i) Your level of dedication: Attendance to all board meetings during 2019-2022.
- (ii) Successful performance of Sacyr: During the executive leadership, the company has achieved optimal business, financial and ESG results.
- (iii) Compliance with the 2021-2025 Strategic Plan: The high level of achievement of the plan's objectives: some of those established for 2025 have not yet been met.

Consequently, the Appointments and Remuneration Committee has confirmed that there are no objections to the Executive Chairman Mr. Manuel Manrique Cecilia being re-elected in an executive capacity at the next Ordinary General Shareholders' Meeting in 2023.

5.5. Division of the Chairman's executive functions

As a result of a thorough analysis conducted by the Appointments and Remuneration Committee in relation to international best practices, investor expectations and Sacyr's leadership, there is a commitment in 2025 to split the current combination of Chairman and CEO into two separate executive functions.

5.6. Availability

Before the beginning of each business year, the Board of Directors of the Company prepares a calendar of ordinary meetings, both of the plenary and of its committees, adapting the needs of the Company to the dedication committed by the directors.

Based on the foreseen schedule, the effective availability has been verified with the candidate, in order to prepare for each Board of Directors meeting and to provide the dedication required for the performance of the position of director.

Likewise, the Committee emphasizes that Mr. Manrique's participation in the meetings of the Board and the Executive Committee during this term of office has been 100%.

6. Conclusions of the Appointments and Remuneration Committee

The Committee highly values the candidate's profile, skills and experience and, expressly, his or her 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 or her individual performance.

In this regard and based on the conclusions included in the Report prepared by Morrow, the Committee wishes to highlight the performance of Mr. Manuel Manrique Cecilia during the term of office now ending, the suitability of his professional profile to the characteristics of the businesses developed by the Sacyr Group, his extensive knowledge of the sectors in which he operates and his international character, as well as his constant strategic vision and his constant and firm commitment to rigorous, responsible and diligent management, which has enabled him to establish and develop the implementation of a general strategy and the basic management guidelines established by the Board of Directors.

Likewise, the Committee has verified that the conduct and professional career of Mr. Manuel Manrique Cecilia are fully aligned with the internal rules set forth in the

Code of Ethics and Conduct and the Purpose and Values set forth therein, as well as that he is not directly or indirectly involved 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 Corporate Governance System for the exercise of the position of director.

All the aspects considered by this Appointments and Remuneration Committee lead to verify that the general requirements for all Company directors are met, in accordance with the provisions of the law and the Corporate Governance System and, consequently, to report favorably to the Board of Directors on the appointment of Mr. Manuel Manrique Cecilia as executive director.

The Committee also considers it favorable for Mr. Manuel Manrique Cecilia to be appointed as a member of the Executive Committee.

7. Favorable report

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

"Mr. Manuel Manrique Cecilia will be proposed for appointment as a director of the Company with the category of executive director, supporting the proposal of the Board of Directors to be submitted to the Ordinary General Shareholders' Meeting called for June 14 and 15, 2023 on first and second call, respectively."

Madrid, May 4, 2023.