

REPORT ISSUED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. REGARDING THE PROPOSAL TO APPOINT PABLO COLIO ABRIL AS AN EXECUTIVE DIRECTOR

Article 529 *decies*, section 4 of the Spanish Corporate Enterprises Act states that the motion to appoint or re-elect members of the Board of Directors rests with the Appointments and Remuneration Committee for independent directors and the Board of Directors itself for all other cases.

Moreover, section six of the cited article states that the motion to appoint or re-elect any non-independent director must follow a report by the Appointments and Remuneration Committee.

For the purpose of the foregoing, the Appointments and Remuneration Committee of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereinafter referred to as the "**Company**" or "**FCC**"), at its meeting on 9 May 2018, has unanimously agreed to submit the following report to the Board of Directors as prescribed in the cited article 529 *decies*, section 6 of the Spanish Corporate Enterprises Act and article 16 of the Regulations of the Board of Directors, concerning the appointment of Pablo Colio Abril as Chief Executive Officer.

During its session on 12 September 2017 and further to a favourable report by the Appointments and Remuneration Committee, the Board of Directors resolved to appoint Pablo Colio Abril as executive director through the co-option system. In accordance with article 244 of the Spanish Corporate Enterprises Act, the appointment by co-option expires at the next scheduled general meeting.

The Appointments and Remuneration Committee considers that the conduct of Pablo Colio Abril as a member of the Company's Board of Directors since his appointment has been proper in all aspects: performance of the position of executive director and, in particular, in his capacity as Chief Executive Officer; dedication to the office; and effective discharge of the duties attributed thereto.

Moreover, the Appointments and Remuneration Committee acknowledges that the curriculum vitae and professional career of Pablo Colio Abril show that he has the suitable skills, experience and merits to hold the office of executive director, which he has thus far performed with diligence and loyalty to the Company.

In light of the foregoing, the Appointments and Remuneration Committee unanimously resolves to issue a favourable report in support of the motion to appoint Pablo Colio Abril as member of the Board of Directors of the Company as executive director for the term prescribed by the Company Bylaws of four (4) years.

Madrid, 9 May 2018