

Item 6 on the Agenda of the Ordinary General Meeting of Shareholders in Fomento de Construcciones y Contratas, S.A., scheduled for 17 June 2003 at first adjournment or the following day at second adjournment.

REPORT BY THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (FCC), ON THE INCLUSION OF TWO NEW ARTICLES (37 AND 38) REGULATING THE AUDIT COMMITTEE

In accordance with article 144 a) of the current Limited Liability Companies Act, the Board of Directors now furnishes the following report on the proposed amendments to the articles of incorporation:

- I. Complying with the terms established in article 47 of the Law on Financial System Reform Measures (Law 44/2002), and incorporating the recommendations of the Olivencia Code and the Aldama Report, the regulation of the body called the Audit Committee is inserted in the articles of incorporation and the insertion of two new articles, 37 and 38, reading as follows, is proposed for that purpose:

Article 37. The Audit Committee

The Company will have an Audit Committee composed of four board members, appointed by the Board of Directors for a period not to exceed that of their terms on the board, notwithstanding the possibility of being re-elected indefinitely, inasmuch as they are also re-elected to the board. A majority of the Committee members shall be non-executive directors.

The Committee will choose a Chairman and may also elect a Vice Chairman from among its non-executive members. Their terms of office may not exceed four years or their terms of office as Committee members, although they may be re-elected one year after stepping down.

The Secretary and Assistant Secretary, if any, shall be chosen by the Committee and need not be board members.

The Committee members may be assisted at their meetings by persons of their choice acting as their advisors, up to two advisors per member. These advisors will attend the meetings with voice but without vote.

Article 38. Competence

The basic function of the Audit Committee is to support the Board of Directors in its surveillance activities by periodically reviewing how the economic-financial information is prepared, internal controls and the independence of external auditors.

In particular, and by way of example only, the Audit Committee's responsibilities shall include:

- **Informing the General Meeting of Shareholders on questions raised by shareholders falling within the scope of its authority.**
 - **Making proposals to the Board of Directors, for submission to the General Meeting of Shareholders, on the appointment of external auditors referred to in article 204 of the revised text of the Limited Liability Companies Act approved by Royal Legislative Decree 1564/1989 of 22 December.**
 - **Supervising the Company's internal auditing services.**
 - **Overseeing the Company's financial information processes and internal control systems.**
 - **Requesting and receiving information from external auditors on questions which may jeopardise the independence of such auditors and any other questions related to the account auditing process and in relation to the communications required by accounting law and auditing technical regulations.**
- II. In order to avoid the repetition of article numbers as a consequence of the introduction of the new articles number 37 (Audit Committee) and 38 (Competence), the former article 37 and following articles through to the end shall henceforth be article number 39 and following articles. Their contents shall undergo no change whatsoever.

Madrid, 31 March 2003