

Rules of the General Meeting of Shareholders

As amended by the Ordinary General Meeting of Shareholders on 29 June 2006

**RULES OF THE GENERAL MEETING OF SHAREHOLDERS
OF
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.**

PREAMBLE

Following the recommendation of the Special Commission for the Promotion of Transparency and Security in Financial Markets and Listed Companies, and considering the practices of Spanish listed companies with regard to preparing and conducting their general meetings of shareholders as well as the provisions of article 113 of the Securities Market Act (Act 24/1998 of 28 July) as amended by Act 26/2003 of 17 July, these Rules of the General Meeting of Shareholders of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereinafter, the "Company") are intended to serve three purposes. Firstly, to reinforce the transparency that should be a feature of the workings of the corporate bodies by making public the procedures used to prepare for and conduct the General Meeting of Shareholders; secondly, to specify the ways in which shareholders can exercise their political rights in connection with General Meeting of Shareholders; and thirdly, to unify in one document all of the rules governing the General Meeting of Shareholders, thereby giving all shareholders access to the operating rules of the Company's supreme governing body.

**TITLE I
DEFINITION, TYPES AND FUNCTIONS OF THE GENERAL MEETING OF
SHAREHOLDERS**

Article 1. General Meeting of Shareholders

1. The General Meeting of Shareholders is the supreme decision-making body of the Company on the matters falling under its jurisdiction.
2. The decisions of the duly-constituted General Meeting, passed in accordance with the terms of the Articles of Incorporation, these Rules and other applicable laws, shall be binding upon all shareholders, including absentees, dissidents and abstainers, without prejudice to the rights and remedies available to them under the law.

Article 2. Types of General Meetings

1. The General Meeting may be ordinary or special.
2. An ordinary General Meeting, called for this purpose with advance notice, shall necessarily be held within the first six months of each financial year to consider the conduct of the Company's business, to approve, if appropriate, the financial statements for the previous financial year, and to decide on the application of income. At this meeting, the shareholders may also vote on any other motion on the agenda, provided that the number

of shareholders representing the percentage of capital stipulated by law or by the Articles of Incorporation, as required in each case, are present at the meeting.

3. Any meeting other than the one described in the preceding paragraph shall be considered a Special General Meeting.

Article 3. Functions of the General Meeting of Shareholders

The General Meeting of Shareholders will decide on the matters falling under its jurisdiction according to the law and to the Articles of Incorporation, including, but not limited to, the following:

1. Appointment and removal of directors.
2. Appointment of auditors.
3. Examination of the conduct of the Company's business; approval, if appropriate, of the parent company and consolidated financial statements for the previous fiscal year and of the application of the previous year's income.
4. Capital increases and reductions.
5. Bond issues.
6. Amendments to the Articles of Incorporation.
7. Dissolution, merger and demerger of the company, and change of its corporate form.
8. Approval and amendment of these Rules.
9. Any other matter falling under the jurisdiction of the General Meeting, according to the law or the Articles of Incorporation, may be addressed in an ordinary or special meeting subject to compliance with all applicable legal requirements.

TITLE II

ANNOUNCEMENT AND PREPARATION OF THE GENERAL MEETING

Chapter 1.

Announcement of the General Meeting of Shareholders

Article 4. Announcement of the General Meeting of Shareholders

1. Without prejudice to the provisions of the General Corporations Act on the General Meeting and the announcement procedures, the Board of Directors is the body entrusted with giving notice of the General Meeting of Shareholders:

a) Sufficiently in advance to permit it to be held during the first six months of the year, in the case of ordinary general meetings.

b) Whenever the Board of Directors considers it to be in the company's best interest, in the case of special general meetings.

c) When requested in a notarised instrument by shareholders possessing at least five percent of the share capital, indicating in the request the business to be transacted at the meeting. In this case, the General Meeting shall be held within thirty days from the date of the notarised request sent to the directors, and the meeting agenda must necessarily contain the business indicated in the request.

d) In all cases envisaged by law and by the Articles of Incorporation.

2. If the Ordinary General Meeting of Shareholders is not convened by the legal deadline or if a Special General Meeting of Shareholders is not convened despite a request by shareholders possessing five percent (5%) of the share capital, then the ordinary General Meeting of Shareholders may be convened at the request of any shareholder and the Special General Meeting of Shareholders may be convened by the judge of the court of first instance corresponding to the company's domicile.

The Ordinary General Meeting of Shareholders shall be valid even if it is convened or held outside the required period.

Article 5. Announcement of the meeting

1. The General Meeting of Shareholders shall be convened by placing an announcement in the Official Gazette of the Mercantile Register and in one of the daily newspapers with the largest circulation in the province and on the Company's website at least one month in advance of the meeting date.

The Board of Directors must consider the advisability of publishing the meeting announcement in other media.

The announcement will be sent to the National Securities Market Commission on the day it is published.

2. The meeting announcement will contain:

a) The name of the Company, and the place, date and time of the meeting at first call and at second call; there must be at least twenty-four hours between the times of first and second call.

b) The meeting agenda, which must contain a clear and precise list of the business to be transacted at the meeting.

c) The requirements for attending the General Meeting and for accrediting one's attendance rights.

d) The right of shareholders to be represented at the meeting by a proxy, who need not be a shareholder, and the requirements and procedures for exercising this right.

e) Shareholders' right to information and the procedures for exercising this right.

3. When announcing the General Meeting of Shareholders, the Board of Directors will consider whether there are distance means of communication available that permit shareholders to vote and/or delegate their votes remotely while duly guaranteeing the identity of the shareholder voting or granting proxy, as the case may be, the identity of the shareholder and proxy, and whether the use of such methods is feasible. If the Board of Directors determines that such methods are available and feasible, it must state this in the notice of meeting, specifying the communication methods that shareholders may use to exercise their rights to grant proxy, vote and attend. It must also state the deadlines, forms and ways in which shareholders attending the Meeting by electronic or telematic means, where this is possible, may exercise their rights.

4. The agenda contained in the announcement shall be determined by the Board of Directors, although shareholders who own at least 5% of capital may request the publication of a supplement to the meeting announcement, adding one or more items to the agenda. Shareholders wishing to exercise that right must send the supplement by certifiable means to the company's registered offices within five days from publication of the meeting announcement. The supplement must be published at least fifteen days prior to the scheduled meeting date.

Chapter II

Preparation of the General Meeting of Shareholders

Article 6. Information available as soon as the General Meeting is announced

As from the date of the meeting announcement, the Company will make available to its shareholders, at its registered offices, at the National Securities Market Commission, on the stock exchanges where its stocks are traded and on the Company's website, the following:

a) The full text of the announcement.

b) The text of all of the motions to be submitted by the Board of Directors in relation to the items on the agenda.

c) The documents or information which by law must be made available to the shareholders on the items on the meeting agenda as from the date of the announcement of the General Meeting of Shareholders.

d) Information on the channels of communication between the company and its shareholders for the purposes of obtaining information or making suggestions, in accordance with the applicable regulations.

Article 7. Right to Information prior to the General Meeting of Shareholders

1. Up to seven calendar days before the first scheduled date for the Meeting, shareholders may request any information or explanations they require and raise any questions they consider pertinent regarding the items on the agenda or the information accessible to the public reported by the Company to the National Securities Market Commission since the last General Meeting.
2. Information requests may be made by e-mail to the address provided for this purpose on the Company's website for each General Meeting of Shareholders or in writing to the Stock Market and Investor Relations Department at the Company's registered offices, delivered by hand, post or courier. The provisions of this article are understood without prejudice to the shareholders' right to obtain a printed copy of the documents and to request that the documents be sent to them, free of charge, when so stipulated by law.
3. Once the identity and status of the requesting shareholder is verified, the information requests regulated in this article will be answered up to the date of the General Meeting of Shareholders but prior to the start of the meeting.
4. The Chairperson may refuse to supply the requested information when, in his opinion, the publication of the requested information might be detrimental to the Company's interests, except when the request is backed by shareholders representing at least one-fourth of the share capital.
5. The Board of Directors may empower any of its members, its Secretary and Vice-Secretary to answer shareholders' requests for information through the Stock Market and Investor Relations Department.

Article 8. Proxies

1. Shareholders entitled to attend the General Meeting of Shareholders may appoint a proxy, who need not be a shareholder, to represent them.

The proxy will be granted according to the terms and within the scope established in the Public Corporations Act (Ley de Sociedades Anónimas), in writing, and separately for each General Meeting, except when the proxy is a spouse, ascendant or descendant of the shareholder or holds a general power of attorney to administer all of the shareholder's assets in Spain.

2. In the event of a public request for proxies, the provisions of article 107 of the Public Corporations Act and article 114 of the Securities Market Act 24/1998, of 28 July, will apply. The text of both of those articles is appended hereto as an inseparable part of these Rules.
3. Proxies are always revocable. The shareholder's attendance at the General Meeting of Shareholders constitutes a revocation of the proxy, regardless of the date of the proxy.

TITLE III

HOLDING THE GENERAL MEETING OF SHAREHOLDERS

Chapter 1.

Constitution of the General Meeting

Article 9. Right to attend, obligation to attend

1. Shareholders possessing one or more shares shall be entitled to attend the General Meeting, provided that their ownership of the shares is registered in the ledger of account entries at least five days in advance of the Meeting date.
2. The members of the Board of Directors are obliged to attend the General Meeting of Shareholders. Executives, managers, technical personnel and others responsible for the management of the Company may also attend General Meetings when the Board of Directors sees fit and considers that their participation in the Meeting may be useful to the Company. The Chairman of the General Meeting may authorise any other person to attend, as he sees fit, but the General Meeting is entitled to revoke such authorisation.

Article 10. Officers of the General Meeting

1. The officers of the General Meeting of Shareholders are the Chairman and the Secretary.
2. The General Meeting of Shareholders is presided over by the Chairman and, in his absence, by the Vice-Chairmen of the Board of Directors, in order; if there is no pre-set order, it will go in order of seniority on the Board. If there is no Vice-Chairman in attendance, the General Meeting will be chaired by the oldest director.
3. It is the Chairman's responsibility to:
 - a) Direct the meeting so that the items on the agenda are debated.
 - b) Answer any questions that arise regarding the list of shareholders and the contents of the agenda.
 - c) Give the floor to shareholders who requested it in writing prior to the commencement of the meeting, followed by those who asked verbally or in writing during the meeting, until he or she considers that the issue has been sufficiently debated or that transaction of business is being obstructed.
 - d) Decide when an issue is to be voted on and announce the results of the votes.
 - e) In general, exercise all of the powers required to ensure that the meeting runs smoothly, including interpreting the provisions of these Rules.

The Chairman of the Meeting will be assisted by the Secretary.

4. The Secretary of the Board and, in his absence, the Vice-Secretary of the Board, will act as the Secretary of the General Meeting of Shareholders. If neither of them is available, the secretary will be chosen by the shareholders as provided for in the second paragraph of article 21 of the Articles of Incorporation.

5. If, for any reason, the Chairman or the Secretary has to leave the meeting while it is under way, they will be replaced as provided for in sections 2 and 4 above.

Article 11. Constitution of the General Meeting of Shareholders

1. Starting two hours before the scheduled time for the meeting, on the date and at the time and place indicated in the announcement of the General Meeting of Shareholders, shareholders or their duly assigned proxies may present, to the personnel in charge of registering attendees, the documents accrediting their right to attend the meeting or to represent their principals, as the case may be. Meeting attendance rights will be accredited by presenting the certificate, issued by the entities in charge of registering the Company's shares, accrediting the registration, in the shareholders' name, of at least one share at least five days in advance of the Meeting date.

Shareholders wishing to cast their votes by distance means of communication, in those cases where this possibility is envisaged in the meeting announcement, will accredit their identity and shareholder status in the manner determined by the Board of Directors in the announcement.

2. The shareholders or their proxies who arrive at the meeting after it has been called to order and has begun to discuss the items on the agenda will not be included in the list of attendees.

3. The list of attendees will be included at the beginning of minutes or appended to it as an annex signed by the Secretary and countersigned by the Chairman.

Shareholders who vote using distance means, as provided for in the meeting announcement, will be counted as present for the purposes of determining the quorum of the General Meeting of Shareholders.

4. Once there is a quorum, the Meeting will be called to order at the pre-established place, date and time, at either first or second call.

5. The Chairman or Secretary will read the announcement, or may take it as read if none of the shareholders object, and then state the total figures from the attendance list, indicating the number of voting shareholders in attendance and represented at the meeting, the number of shares held by each category and the percentage of share capital they represent.

6. Once this information is publicly announced by the Chairman or the Secretary, the Chairman will then state whether or not the meeting is quorate. The notary public, if there is one, will ask the assembly if there are any objections to the Chairman's statements regarding the numbers of shareholders in attendance and the share capital they represent. Any questions or claims submitted to the notary or to the Secretary, if there is no notary, will be reflected in the minutes and resolved by the Chairman.

7. Following this, the Chairman will call the meeting to order, if appropriate.

8. Both ordinary and extraordinary General Meeting of Shareholders will be quorate:

- Generally, at first call, when the shareholders present or represented possess at least fifty percent of the subscribed voting capital. On second call, when the shareholders present or represented possess at least forty-five percent of the subscribed voting capital.
- In order for the General Meeting of Shareholders to validly approve bond issues, capital increases or reductions, the change of corporate form, or the merger or demerger of the Company and, generally, any amendment of the Articles of Incorporation, at least fifty percent (50%) of the subscribed voting capital must be present or represented at first call. At second call, it will suffice for shareholders accounting for at least forty-five percent (45%) of the subscribed voting capital to be present or represented.
- When the shareholders in attendance or represented account for less than fifty percent (50%) of the subscribed voting capital, the motions referred to in the previous paragraph may only be validly passed with the favourable vote of two-thirds of the share capital present or represented at the Meeting.

9. If it is necessary, for any reason, to hold the meeting in separate rooms, audio-visual equipment will be set up to permit interactivity and intercommunication between the rooms in real time and, therefore, the transaction of the meeting as a single act.

Chapter II

Shareholder participation

Article 12. Requests to participate

1. Once the General Meeting of Shareholders has been called to order, shareholders who wish to exercise their right to address the meeting must identify themselves to the Secretary or the notary public, if there is one (or to their assistants), exhibiting their national ID card or equivalent identifying document, in the case of non-Spaniards, and their attendance cards showing the number of shares they possess and the percentage of share capital they represent. Both documents will be returned to them after their address. If they wish to have the transcript of their comments included in the meeting minutes, they must provide the notary or the Secretary with a written copy of the text for comparison with their actual words.
2. The directors may establish in the announcement that the addresses and proposals to be made by parties planning to attend by telematic means, if this possibility is envisaged in the meeting announcement, may be sent to the company prior to the meeting. That announcement must state the deadlines, forms and ways envisaged by the directors for the shareholders to exercise their rights in order to ensure orderly transaction of business.
3. Once the officers of the meeting have the list of shareholders who wish to address the meeting, the shareholders will be allowed to speak before the items on the agenda are put to the vote.

Article 13. Addresses by shareholders.

1. Shareholders will speak in the order in which they are recognised by the meeting committee.
2. The Chairman, depending on the circumstances, will decide how much time each shareholder is allotted, which shall be the same for all shareholders and never less than five minutes.
3. In exercising his powers to organise the transaction of the General Meeting of Shareholders, the Chairman may:
 - (i) extend the time initially allotted to each speaker, at his discretion;
 - (ii) ask speakers to clarify issues that have not been understood or not sufficiently explained;
 - (iii) remind the shareholders during their address to confine themselves to the issues at hand and to abstain from making comments that are out of order or engaging in obstructive or dilatory tactics;

(iv) inform shareholders when their time is coming to an end to enable them to conclude and, when their time is up or when they persist in the type of conduct described in (iii) above, terminate their turn; and

(v) If he considers that giving them the floor may disturb the order and normal transaction of the meeting, he may ask them to leave the premises and take the necessary steps to this end.

Article 14. Information

1. The Directors must provide the information requested by shareholders, except under the circumstances envisaged in article 7.4 of these rules or when the requested information is not available during the meeting. In this case, the information will be provided in writing within seven days from the meeting date, to which end the shareholders will indicate the mailing address where the information should be sent.

2. The requested information or clarifications will be provided by the Chairman or, at the Chairman's request, by the Managing Director, the Chairman of the Audit Committee, the Secretary, a Director or any employee or expert on the subject in question, in accordance with article 9.2 of these Rules.

Chapter III

Voting and Documentation of Resolutions

Article 15. Voting on Proposals

1. Upon conclusion of the shareholders' addresses and once the questions have been answered as provided for in these Rules, the proposed resolutions in the agenda and any others which by law need not be included in the agenda will be voted on.

2. The Secretary will ask the shareholders whether or not they wish to have the proposed resolutions read, the text of which was delivered to the shareholders before the meeting and is available on the Company's website. If any shareholder wishes them to be read or if the Chairman deems it appropriate, the proposed resolutions will be read aloud. In any event, the shareholders will be informed of the agenda item to which each proposed resolution refers.

3. Without prejudice to the alternative systems which may be employed at the Chairman's discretion, the procedure for voting on the proposed resolutions referred to above will be as follows:

a) The system for voting on the proposed resolutions relating to the items on the agenda will be by a negative deduction system. This means that, for each proposal, the votes corresponding to all of the shares present and represented will be considered as votes in favour, deducting those corresponding to the shares whose owners or representatives state that they are voting against or abstaining, to which will be added the votes corresponding to proxies received by the Board of

Directors, indicating whether voters are against the motion or abstentions. Votes against and abstentions will be counted separately.

b) The system for voting on the proposed resolutions relating to items not on the agenda, when such proposals may legitimately be voted upon, will be a positive deduction system. This means that the votes corresponding to all of the shares present and represented will be considered as votes against, deducting those corresponding to the shares whose owners or representatives state that they are voting for the proposal or abstaining.

c) When technically possible and provided that compliance with all legal requirements can be guaranteed, the Board of Directors may establish the use of electronic vote counting systems.

d) If, in accordance with the terms of article 5 of these Rules, the meeting announcement makes provisions for voting electronically using one or more distance voting methods, and without detriment to the specific instructions for each particular case in order to be valid and accepted by the Company, the document containing the vote must contain the following information at the very least:

- (i) Meeting date and agenda.
- (ii) The shareholder's identity.
- (iii) The number of shares owned.
- (iv) The shareholder's vote on each of the items on the agenda.

4. The statements containing votes submitted to the notary or the meeting officers as envisaged in paragraph 3 above may be made individually for each of the proposals or jointly for several or all of them, indicating to the notary or the officers the identity of the shareholder or representative, the number of shares in question, and whether the shareholders/representative votes in favour or against, or abstains.

Article 16. Passage of resolutions and proclamation of results

1. The passage of resolutions will require the following majorities:

a) At first call: resolutions will be passed when more than one-half of the shares present or represented at the meeting vote in favour.

b) At second call: resolutions will likewise be passed when more than one-half of the shares present or represented at the meeting vote in favour. However, when attendance is below one-half of the voting share capital, the passage of resolutions relevant to bond issues, capital increases or reductions, the transformation of the company's corporate form, a merger or demerger or any other amendment to the Articles of Incorporation will require the favourable vote of at least two-thirds of the share capital in attendance.

2. The Chairman will declare the resolutions passed when he has evidence of sufficient votes in favour, without prejudice to the statements made by the attending shareholders to the notary public or the meeting officers in this regard.

Article 17. Adjournment of the meeting.

The Chairman has the power to adjourn the meeting.

Article 18. Meeting minutes.

1. The minutes of the General Meeting will be set down by the Secretary in the Minutes Book, and they may be approved by General Meeting upon conclusion or within fifteen (15) days by the Chairman and two (2) proctors, one representing the majority and the other representing the minority. The minutes will include the list of attendees referred to in article 111 of the Public Corporations Act and a summary of the deliberations, the literal text of the resolutions passed and the results of the votes.

2. The Directors may engage a notary to attend and minute the meeting, and it will be obliged to do so whenever so requested at least five days in advance of the scheduled meeting date by shareholders representing at least one percent of the share capital. The notarial certificate will stand as the meeting's minutes and the notary's fees will be paid by the company.

Article 19. Publication of resolutions

1. Without prejudice to registration of qualifying resolutions in the Mercantile Register and to the legal requirements for the publication of company resolutions, the Company will forward the text of the approved resolutions to the National Securities Market Commission by the deadline stipulated by the latter.

2. The text of the resolutions will be posted on the Company's website and will be published in the Annual Corporate Governance Report.

FINAL PROVISION

These Rules will be applicable from the date of notice of the General Meeting of Shareholders immediately after the one in which they are approved.

APPENDIX
PUBLIC SOLICITATIONS OF PROXIES.
(article 8.2 of the Rules of the General Meeting of Shareholders)

Article 107 of the Public Corporations Act: Public Solicitation of Proxies

1. When the Company's directors, the share depositories or the companies in charge of registering the book-entries solicit proxies for themselves or for others and, in general, where that the solicitation is made publicly, the proxy document must contain the agenda or include it as an annex, as well as the request for instructions on how to exercise the right to vote and indicating how the proxy should vote in the absence of specific instructions.
2. As an exception, the proxy may vote differently in the event that circumstances arise that were unknown at the time the instructions were issued and that might jeopardise the shareholder's interests. If the vote differs from the instructions, the proxy must immediately inform the shareholder in writing, explaining the reasons for the vote.
3. It is understood that there has been a public solicitation when one person holds proxies from more than three shareholders.

Article 114 of the Securities Market Act: Directors' duties.

1. Where the directors of a listed company or any other person makes a public request for proxies, the director who obtains them may not exercise the right to vote relating to the shares he represents in items on the Agenda in which he is in a conflict of interests and, in any case, regarding the following decisions:
 - a) His appointment or ratification as director.
 - b) His dismissal or removal as a director.
 - c) Derivative suits against him.
 - d) Approval or ratification, as the case may be, of corporate transactions with the director in question, with companies controlled by him or which he represents, or with persons acting on his behalf.

The proxy may also cover items that, though not envisaged in the Agenda, can legally be transacted by the General Meeting; in this case, the provisions of the preceding paragraph are also applicable.