

**1. ADDITIONAL DISCLOSURES IN COMPLIANCE WITH ARTICLE 116.Bis OF ACT 24/1998 OF 28 JULY ON THE SECURITIES MARKET, AS AMENDED BY ACT 6/2007 OF 12 APRIL.**

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**a) The capital structure, including securities not traded in a regulated market of the European Union, stating the various classes of shares and, for each class of shares, the rights and obligations that they confer and the percentage of capital stock which they represent.**

The share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. is ONE HUNDRED AND TWENTY-SEVEN MILLION THREE HUNDRED AND THREE THOUSAND TWO HUNDRED AND NINETY-SIX (127,303,296) euros, represented by ONE HUNDRED AND TWENTY-SEVEN MILLION THREE HUNDRED AND THREE THOUSAND AND TWO HUNDRED AND NINETY-SIX (127,303,296) shares, all of the same class and series, represented by book entries, with a par value of one euro each, which are fully subscribed and paid. Each share entitles the owner to one vote.

**b) Restrictions on the transferability of securities.**

There are no general restrictions regarding the free transferability of the securities other than those provided in the Consolidated Text of the Public Corporations Act.

**c) Significant holdings in the capital, whether direct or indirect.**

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. is controlled by B1998, S.L. That company owns 59,871,785 shares directly (47.0431%) and 8,653,815 shares indirectly (6.798%) (through its subsidiary AZATE, S.A.) , which represent 53.829% of capital.

The Royal Bank of Scotland Group PLC owns 4,330,938 shares indirectly, representing 3.402% of capital, through:

- The Royal Bank of Scotland PLC, with 4,323,586 shares (3.396%).

**d) Restrictions on voting rights.**

There are no restrictions in the Articles of Incorporation with regard to voting rights.

### e) Shareholders' agreements.

| Parties involved in shareholders' agreements | % of share capital affected | Brief description of agreement                              |
|----------------------------------------------|-----------------------------|-------------------------------------------------------------|
| ESTHER KOPLOWITZ ROMERO DE JUSEU             | 52.483                      | REGULATORY DISCLOSURE ON 30/07/2004 WWW.CNMV.ES (SEE NOTE). |
| ESTHER KOPLOWITZ ROMERO DE JUSEU             | 52.483                      | REGULATORY DISCLOSURE ON 13/01/2005 WWW.CNMV.ES (SEE NOTE). |
| ESTHER KOPLOWITZ ROMERO DE JUSEU             | 52.483                      | REGULATORY DISCLOSURE ON 13/01/2005 WWW.CNMV.ES (SEE NOTE). |
| ESTHER KOPLOWITZ ROMERO DE JUSEU             | 52.483                      | REGULATORY DISCLOSURE ON 19/07/2007 WWW.CNMV.ES (SEE NOTE). |
| ESTHER KOPLOWITZ ROMERO DE JUSEU             | 52.483                      | REGULATORY DISCLOSURE ON 26/12/2007 WWW.CNMV.ES (SEE NOTE). |
| ESTHER KOPLOWITZ ROMERO DE JUSEU             | 53.829                      | REGULATORY DISCLOSURE ON 04/02/2008 WWW.CNMV.ES (SEE NOTE). |

NOTE: A regulatory disclosure was published on 30 July 2004 on the National Securities Market Commission (Comisión Nacional del Mercado de Valores, CNMV) website regarding the acquisition of part of EK's stake in B 1998, S.L. by Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Cartera Deva, S.A., and the French family Peugeot, through Simante, S.L.

A regulatory disclosure was published on 13 January 2005 regarding the agreement between Dominum Dirección y Gestión, S.A. Sociedad Unipersonal (wholly-owned by Esther Koplowitz Romero de Juseu) and Larranza XXI, S.L. (belonging to the Bodegas Faustino group) to transfer a portion of the former's minority stake in B 1998, which directly and indirectly owns 52.483% of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., to the latter."

A regulatory disclosure was published on 13 January 2005 regarding the agreement between Dominum Dirección y Gestión, S.A. Sociedad Unipersonal (wholly-owned by Esther Koplowitz Romero de Juseu) and Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Ibersuizas Holdings, S.L., Cartera Deva, S.A., Arzubi Inversiones, S.A. and EBN Banco de Negocios, S.A. to transfer a minority stake owned by the former in B 1998, S.L., which directly and indirectly owns 52.483% of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., to the latter."

A regulatory disclosure was published on 19 July 2007 on the novation modifying B1998, S.L. shareholder agreements, which does not alter Esther Koplowitz Romero de Juseu's direct and indirect stakes in B 1998, S.L. or the agreements between parties with respect to the governance of B 1998, S.L. and, indirectly, of Fomento de Construcciones y Contratas, S.A., or any provision regarding control of the two companies."

A regulatory disclosure was published on 26 December 2007 regarding the reorganisation of the ownership structure of B 1998, S.L., whereby Esther Koplowitz Romero de Juseu, through wholly-owned company DOMINUM DIRECCIÓN Y GESTIÓN, S.A., signed an agreement with IBERSUIZAS HOLDINGS, S.L. to purchase from the latter 10.55% of B 1998, S.L., which owns 52.483% of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., effective 30 January 2008.

The transaction totalled 381.5 million euro, valuing FCC shares at 55.94 euro each. This move, which was initiated by Esther Koplowitz and increased her stake in FCC, entailed the divestment of Grupo Ibersuizas in B 1998, S.L. and, thus, in FCC Group. Ibersuizas Holdings, S.L. ceased being party to the shareholders' agreement regulating the relationships between shareholders of B 1998, S.L., and on 30 January 2008, resigned from the board of directors of that company. Ibersuizas Alfa, S.L. also resigned from the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A."

A regulatory disclosure was issued on 4 February 2008 regarding Esther Koplowitz's acquisition of Ibersuizas Holding's stake in B 1998, S.L., the main shareholder of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (FCC) (53.829%). The agreement was reached on 24 December 2007.

Following this restructuring, the ownership structure of B 1998, S.L. is as follows:

- Esther Koplowitz (direct and indirect) 83.92%
- Eurocis, S.A. 5.01%
- Simante, S.L. 5.73%
- Larranza XXI, S.L. 5.33%

The above-mentioned regulatory disclosures reflect the main agreements reached between Esther Koplowitz and the Investors since the respective acquisitions:

- Ms Esther Koplowitz will retain control of B 1998, S.L. and, therefore, of Azate, S.A. and FCC.
- The Board of Directors of B 1998 S.L. will comprise twelve directors. As a group, the Investors are entitled to appoint up to four directors, although under no circumstances may they appoint more than one-third of the members of the Board of B 1998, S.L.
- At all events, Esther Koplowitz may appoint the majority of the members of the boards of directors of FCC and its subsidiaries. As a group, the Investors may appoint up to three members but never more than one-third of the total Board of Directors of FCC.

- Ms Esther Koplowitz may appoint the Chairman of the Board of Directors of FCC, the Managing Director of FCC and at least two-thirds of the members of the Executive Committee.
- FCC's pay-out will be at least 50%.

Esther Koplowitz and the Investors have entered into a series of agreements to protect the latter's minority interest in B 1998, S.L.:

- IN RELATION TO B 1998, S.L.:

As regards B 1998, S.L., although the general rule is that decisions (in the Shareholders' Meeting or the Board of Directors) be adopted by simple majority of capital, there are a number of special cases where consensus is required:

- Modifications to the Articles of Incorporation that entail moving the registered offices abroad, changing the corporate purpose or increasing or reducing capital, except where such operations are required by law or , in the case of capital reductions , when they occur through the acquisition of own shares by B 1998 S.L., (owned directly and indirectly by Ms Esther Koplowitz and Dominum Dirección y Gestión , S.A.) for amortisation, or when the capital reduction is performed through amortisation of shares of B 1998, S.L. (held directly and indirectly by EK or by Dominum Dirección y Gestión , S.A.) against reserves, which may only be performed by Ms Esther Koplowitz, according to a clause in the Articles of Incorporation or otherwise.
- Any type of change of corporate form, merger or demerger or the total transfer of assets and liabilities;
- Dissolution or liquidation of B 1998 S.L.;
- Overriding of pre-emptive subscription rights in capital increases and the exclusion of shareholders;
- Modification of the regime of management of B 1998, S.L.;
- Establishment or modification of the dividend policy agreed by the Investors in connection with rights attached to their shares, as set out in the Articles of Incorporation or otherwise;
- Acts of disposal or encumbrance, by any means, of any significant assets of B 1998, S.L., specifically shares of FCC or shares of any other companies in which B 1998 S.L. holds or may hold a stake in the future;

- - An increase in structural expenses which, on an annual basis, exceeds those reflected in the company's balance sheet as of 31 December 2003, increased in line with the general annual CPI plus two percentage points; the foregoing calculation will exclude the remuneration paid to B 1998, S.L. as a result of that company being a member of the Board of Directors of FCC (hereafter, the "FCC Board Remuneration") , and remuneration of members of the Board of Directors of B 1998, S.L., as long as it does not exceed the FCC Board Remuneration;
- Granting or maintaining powers that allow for the disposal of FCC shares, by any means;
- Encumbering B 1998, S.L. with debt and obtaining or providing guarantees which, overall, exceed 500,000 euro;
- Creating or acquiring direct subsidiaries (other than FCC subsidiaries) or acquiring shares in entities other than those in which B 1998 S.L. already holds a stake.
- IN RELATION TO FCC:

As regards FCC, although the general rule is that decisions (in the Shareholders' Meeting or the Board of Directors) be adopted by simple majority of capital, there are a number of special cases where consensus is required:

- Modifications to the Articles of Incorporation that entail moving the registered offices abroad and increasing or reducing capital, except where such operations are required by law.
- Changing the corporate purpose when doing so includes the incorporation of activities not related to construction, services, cement and real estate.
- Any type of change of corporate form, merger or demerger.
- Any merger of FCC Construcción, S.A., Cementos Portland Valderrivas, S.A. and FCC Servicios, S.A. whereby B 1998, S.L. would no longer indirectly hold more than 50% of the voting rights in the post-merger company.
- Overriding of pre-emptive subscription rights in capital increases.
- Modification of the regime of management.

- Acts of disposal or encumbrance, by any means, of any material assets of FCC that is unrelated to the company's object, and, at all events, the above-mentioned acts within the scope of FCC's object when the total or combined value is 700,000,000 euro or more (adjusted in line with the annual increase in the CPI) , or entail a significant modification to the current structure of the FCC Group or represent more than 10% of the FCC Group's consolidated assets.
- Any transactions that may lead to or represent a variation of more than 20% of FCC's equity or over 10% of the FCC Group's consolidated assets.
- Granting of powers that permit, by any means, the above-mentioned disposals, encumbrance and acquisitions; the foregoing does not in any way limit Ms Esther Koplowitz's right to appoint and remove the Managing Director of FCC.
- Encumbering FCC with debt and obtaining or providing guarantees (excluding, at all events, guarantees included in the normal course of ordinary business and non-recourse project finance) which, overall, exceed 2.5 times the EBITDA shown in FCC's most recent consolidated balance sheet.

In the event that Ms Esther Koplowitz and the Investors are unable to reach a consensus to adopt resolutions in the above-mentioned special cases, the parties will take the necessary measures to maintain the pre-existing situation.

The full content of the shareholders' agreements are available on the CNMV website as Regulatory Disclosures dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007 and 4 February 2008.

**Full information about the shareholder agreements is available on the web at [www.fcc.es](http://www.fcc.es)**

**f) Regulations applicable to the appointment and replacement of members of the governing body and amendments to the Company's Bylaws.**

The regulation in this connection is Chapter IV of the Rules of the Board of Directors, dealing with Appointment and Removal of Directors, which establishes the articles governing the appointment and replacement of members of the Board of Directors.

#### **Article 16. Appointment, ratification or re-election of directors:**

Proposals for the appointment or re-election of directors submitted by the Board of Directors to the General Meeting of Shareholders for its consideration, and the appointments made by the Board using the powers of co-optation attributed to it by law must fall upon people of recognised integrity, fitness, technical competence and experience, and must be approved by the Board based on a proposal from the Appointments and Remuneration Committee, in the case of independent directors, and based on a prior report of the Appointments and Remuneration Committee, in the case of other directors.

From the moment of publication of the notice of the General Meeting, the Board of Directors must publish, on the website, the following information about the persons proposed for appointment or ratification as directors:

- (i) professional experience and background
- (ii) directorships held in other companies, listed or otherwise
- (iii) an indication of the director's classification; in the case of proprietary directors, the shareholder they represent or have links with must be identified;
- (iv) the date of their first and subsequent appointments as a company director;
- (v) shares of the Company and financial derivatives whose underlying are shares of the Company that are owned by the director proposed for ratification or re-appointment or by the candidate for first-time appointment as director. That information must be kept up to date.

The Secretary of the Board of Directors will provide each new director with a copy of the Articles of Incorporation, these Rules, the Internal Code of Conduct, the latest annual Financial Statements and Directors' Report, of both the Company and its consolidated Group, as approved by the General Meeting of Shareholders, the auditors' report on the Financial Statements and the latest financial information provided to the markets. They will also be provided with the names of the current auditors and their interlocutors.

Each director must sign a receipt for the documentation and undertake to take cognizance of it immediately and to faithfully fulfil his obligations as a director.

The Company will establish induction programmes to provide newly-appointed directors rapidly with sufficient knowledge of the Company and its Group and the corporate governance rules, while also offering refresher courses when circumstances make this advisable."

#### **Article 17. Designation of Independent Directors**

Persons appointed as external independent directors must meet the conditions indicated in Article 6.2.a) of these Rules.

Even where they remain on the Board, directors who have been classified as independent directors for a continuous period of 12 years may not continue to hold that category, although the Board may propose to the General Meeting, based on a prior favourable report from the Appointments and Remuneration Committee, that he or she retain the status of independent nonetheless.

### Article 18. Term of office

- 1.The term of office of directors will be that established in the Articles of Incorporation, which may not be more than six years, although directors may be re-appointed.
- 2.The directors appointed by co-option will hold office until the next General Meeting is held. This period of time will not count toward the term established in the preceding paragraph.
- 3.Directors whose mandates expire or who cease to sit on the Board for any reason may not render services to FCC competitors for two years.
- 4.The Board of Directors, at its discretion, may waive or reduce this limitation for outgoing directors.

### Article 19. Re-appointment of Directors.

Prior to the proposing the re-appointment of any director to the General Meeting of Shareholders, the Appointments and Remuneration Committee must issue a report evaluating the quality of work and dedication of the proposed directors during their previous mandate.

### Article 20. Removal of Directors

- 1.Directors must step down from the Board when their mandates have expired or when so decided by the General Meeting of Shareholders making use of the powers vested in it by law and by the Articles of Incorporation.
- 2.Directors must tender their resignation to the Board of Directors and, if the latter sees fit, resign in the following cases:
  - a) In the case of executive directors, when they no longer occupy the positions or perform the functions by virtue of which they were appointed.
  - b) In the case of proprietary directors, when the shareholder whose interests they represent disposes of its holding in FCC or reduces it to such a level that its number of proprietary directors must be reduced.
  - c) When they fall under a situation of incompatibility or legal disqualification.
  - d) When the Board, by a two-thirds majority, asks the director to resign:
    - if he receives a severe reprimand from the Board due to breach of his duties as director, based on a proposal or report by the Appointments and Remuneration Committee, or
    - when their permanence on the Board may jeopardise the Company's credibility and reputation, and directors must inform the Board of any criminal charges against them and any subsequent events during trials. In any event, if any director is tried for any of the corporate crimes described in article 124 of the Public Corporations Act, the Board will examine the case as soon as possible and, based on the specific circumstances, will decide whether or not the director must resign, and it must give a justification in the Annual Corporate Governance Report.



3. The Board of Directors may not propose the removal of independent directors before the expiry of their tenure as mandated by the Articles, except where just cause is found by the board, based on a report from the Nomination and Remuneration Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the grounds enumerated in article 6.2.a of these rules that disqualify from appointment as an independent director.
4. When a director steps down either due to resignation or otherwise, he/she must set out the reasons in a letter to be sent to all other members of the Board, and his/her removal and the reasons must be disclosed in the Annual Corporate Governance Report. In particular, where the director resigns due to the adoption by the Board of significant or repeated decisions to which the director has placed serious objections on record, and decides to resign as a result, the resignation letter to the other directors must expressly state this fact.

The rules applicable to amendments to the Articles of Incorporation are contained in article 17 of the Articles of Incorporation:

#### Article 17. Constitution of the General Meeting

The Ordinary and Extraordinary General Meeting will be validly convened on the original meeting date when the shareholders present or represented account for at least fifty percent (50%) of the subscribed capital with voting rights; on the alternate date, the meeting shall be validly convened when the shareholders present or represented account for at least forty-five (45%) of the subscribed capital with voting rights.

Notwithstanding the provisions of the previous paragraph, in order for the Ordinary or Extraordinary General Meeting of Shareholders to validly pass resolutions on debenture issues, capital increases or decreases, the transformation, merger or division of the Company, the transfer en bloc of assets and liabilities, the overriding or limiting of pre-emptive subscription rights to new shares, the transfer of domicile to another country and, in general, any modification of the Articles of Incorporation, it shall be necessary for shareholders accounting for at least fifty percent (50%) of the subscribed capital with voting rights to be present or represented on the original meeting date, while on the alternate date it shall suffice to have shareholders accounting for at least forty-five percent (45%) of the subscribed capital with voting rights to be present or represented.

When the shareholders in attendance or represented account for less than fifty percent (50%) of the subscribed capital with voting right, the resolutions 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.

#### **g) The powers of the members of the governing body and, in particular, those relating to the possibility of issuing or buying back shares:**

- A) The following powers have been granted to Mr Baldomero Falcones Jaquotot, in his capacity as Chairman and Chief Executive Officer:

Open and cancel accounts.- Open and cancel all types of current accounts, savings accounts and time deposits, at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions. Acquire, dispose of, cancel or pledge certificates of deposit. Lease and cancel safe deposit boxes at banks and other financial institutions.

Make use of accounts.- Sign cheques, acquire bank drafts, buy and sell foreign currency, order transfers, giros and payment orders and, in any form, withdraw amounts from the current accounts and accounts of any other type at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

Make direct debit and credit orders.- Make direct debit and credit orders for payments, charges, bills of exchange and other commercial bills in accounts of any classification open at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

Borrowing.- Arrange, as borrower, credit, loans and financial discounts, collateralised with certificates or invoices of works and services or uncollateralised, or unsecured, at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions, and with any legal or natural person, and establish the interest rate, terms, commissions, covenants and conditions that he freely decides. Receive and return part or all of such loans or credit and postpone and divide them and amend their conditions subsequent. Amend, extend and cancel, totally or partially, the aforementioned credits or loans and, as a means of instrumentation, sign the corresponding agreements or contracts, and issue or endorse, as the case may be, bills of exchange and other documentation that may be necessary. Request, arrange, amend and cancel the opening of letters of credit, both simple and documentary, of any type.

Lending.- Arrange, as lender, credits or loans, with or without collateral, whether in rem or pledge, and establish the interest rate, terms, commissions, covenants and conditions that he freely decides, and, in connection with them, postpone and divide them and amend their conditions subsequent. Amend, extend and cancel, totally or partially, the aforementioned credits or loans and, as a means of instrumentation, sign the corresponding agreements or contracts, and issue or endorse, as the case may be, bills of exchange and other documentation that may be necessary. Request, arrange, amend and cancel the opening of letters of credit, both simple and documentary, of any type.

Endorse certificates.- Endorse or pledge to official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions, certificates of works or services performed that are to be collected from the State, Autonomous Regions or Bodies, Provincial Governments, Island Governments, City Governments or groupings of municipalities or from any other public or private entity.

Make deposits.- Make deposits into accounts of any type.

Collect.- Collect accounts receivable of any amount, origin or nature from the State, Autonomous Regions and Bodies, Provincial Governments, Island Governments, City Governments or groupings of municipalities and any other entity or person, natural or legal, public or private, and sign any necessary receipts or discharges, for the full amount or the amounts received on account, and to receive repayable advances. Assign commercial accounts receivable (factoring).

Collect via nominative documents.- Collect accounts receivable, of any origin or nature, from the State, Autonomous Regions and Bodies, Provincial Governments, Island Governments, City Governments or groupings of municipalities and any other entity or person, natural or legal, public or private, sign any necessary receipts or discharges, for the full amount or the amounts received on account, and receive repayable advances. This power may be exercised only when the payment is made by cheque, promissory note, bill of exchange or other commercial draft issued in the name or to the order of the Company holding the debt claim.

Issue and negotiate commercial drafts.- Issue, draw, negotiate, endorse and collect bills of exchange, drafts and order-letters, and collect and endorse promissory notes, cheques and bankers' drafts, issue redrafts, and protest and request intervention of such commercial bills.

Request statements of account.- Request statements of account from official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

Accept statements of account.- Accept or reject statements of account from official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

Arrange guarantees in favour of the principal.- Request and arrange guarantees in favour of the principal with official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions and insurance companies, through the provision, by those entities, of sureties, guarantees, credit insurance, rights in rem and other guarantees.

Provide Guarantees and Sureties for the Principal and its Investees.- Request and arrange sureties for the principal, and guarantee and secure its investees, before official or private banks, including the Bank of Spain, savings banks and other credit, financial or insurance institutions by means of the constitution, by the aforementioned entities, of technical guarantees, i.e. guarantees in connection with contracts (provisional or definitive guarantees) , guarantees of certificates for procurement of machinery under work contracts, or the provision of services or supplies, and to that end sign the documents to be freely established between them.

Accept commercial drafts and sign promissory notes.- Accept bills of exchange and other commercial drafts and sign promissory notes.

Constitute and cancel deposits.- Constitute, at the State Cashier's Office and any of its provincial offices, and at any other agency of the State, Autonomous Region, Provincial Government, Island Government, Municipality or grouping of Municipalities, bank or private or public entity, provisional or definitive deposits, in cash, securities, sureties, acknowledged debt claims or any other form, as guarantee for contracts, bids and tenders. Replace any securities that are amortised with others. Collect the amount of the coupon on those securities. Request the refund of sureties, guarantees and deposits, both provisional and definitive, and withdraw both the cash and the sureties, guarantees and securities deposited, and collect any interest on such sureties or guarantees, and cancel, as appropriate, and sign stubs, receipts, discharges and such other public or private documents as may be pertinent in each case.

Pay.- Pay any amounts that are owing, and demand the appropriate receipts, discharges or stubs. Assign management of invoice payment to credit institutions (Confirming).

Bid and tender.- Bid, take part in all types of auctions, competitions, competitive auctions, and any other form of tender. Present, to that end, any proposals, including jointly or jointly and severally with other bidders, whether natural or legal persons, and in the form of an economic interest grouping, temporary joint venture or other form of association. Sign such public or private documents as may be necessary, including plans, designs and any others relating to the tender or bid.

Representation at the opening of sealed bids.- Attend the openings of sealed bids in any type of tender held by public or private entities, be they natural or legal persons, and make, to the tender committee or the body or entity holding the tender, such complaints, reservations and comments as he considers appropriate, and sign the minutes that are drafted.

Contract the execution of work, provision of services and sale of supplies.- Enter into contracts, assign them and amend, terminate and, as the case may be, rescind them with any person, whether natural or legal, public or private, State, Autonomous Regions and Bodies, Provincial Governments, Island Governments, City Governments or groupings of municipalities, provided that such contracts are for the purpose of the execution or provision, by the principal, of any type of work, service or supply and contracts of any type relating to administrative concessions, leases and agreements. Accept any type of adjudication made to the principal. Negotiate, pact and agree on different, amended or additional prices. Apply for the definitive settlement of contracts.

Staking out of works.- Appear at checks of the staking out and reception of works, whether provisional or definitive, regardless of their nature and the contracting party, be it a natural or legal person, public or private, State, Autonomous Regions and Bodies, Provincial Governments, Island Governments, City Governments or groupings of municipalities, or private individuals, and sign such documents and minutes as may be necessary or advisable and make statements and reservations when he deems it appropriate.

Buy and contract.- Contract, amend, terminate and, as appropriate, rescind the acquisition and supply of materials or installations and the provision of services, and the execution of all types of works or part of them and the provision of services by third parties.

Supply of water, electricity and telephone.- Arrange the supply and connection of water, gas, electricity and telephone with the supply companies.

Insurance.- Contract, amend, surrender, pledge, terminate, rescind and settle insurance of all types, sign the policies and contracts with the insurance companies in the conditions that he considers appropriate, and collect any corresponding indemnities from the insurance companies.

Foreign trade licences.- Make any type of petition to official bodies for concessions, permits or licences for imports and exports, without any limitation, and, in connection with such concessions, permits and licences, present documents, participate in proceedings, receive notifications and present appeals.

Receive correspondence.- Receive all types of correspondence, insured shipments, giros and packages. Withdraw from customs and shipping and railway companies any goods, packages, envelopes or other shipments, and make complaints where appropriate.

Sign correspondence.- Sign postal, telegraphic or any other form of correspondence.

Issue certificates.- Issue itemised value lists and certificates of works and services performed.

Collective bargaining.- Negotiate and sign collective labour agreements in any scope.

Labour relations.- Open workplaces, enter into, amend, extend, terminate and rescind labour contracts, establish the economic, working and any other conditions he deems appropriate with the staff. Sign the corresponding employment contracts. Initiate investigations and adopt disciplinary measures. Perform, before the Labour Ministry, Social Security agencies, employment offices, unions and other bodies all manner of proceedings, actions and procedures, and present and sign such writs, petitions and documents as may be necessary. Act before the Labour Inspectorate in any proceeding or investigation by or with the latter.

Labour proceedings.- Appear before labour courts, higher courts of justice, the national appeals court, supreme court and any other administrative or jurisdictional body in labour matters. Hold acts of reconciliation, with or without a settlement. Compromise in issues or disputes, present petitions, documents and writs, as complainant or defendant, and he is expressly empowered to reply to interrogatories, and ratify replies given to interrogatories and in any other actions and proceedings as may be necessary to this end, and take such other actions as he considers appropriate.

Develop and divide plots of land.- Develop and divide estates, apply for approval of development plans and newly-built subdivisions, divisions and regroupings and accept them and, generally, participate in any actions envisaged under the Land and Urban Planning Act and complementary legislation and under municipal bylaws. Assign realty under any title for development purposes. Mark limits and divisions, make groupings, aggregations, segregations and divisions of properties. Request entries in the land register, inscriptions of excesses and shortfalls, and rectification of boundaries, new descriptions and all types of registry entries. Request construction permits, make declarations of new construction, construct buildings as condominiums or in any other form of joint ownership, establish owners' shares and draw up any internal regulations and bylaws. Divide commons and accept adjudications.

Rights in rem on realty.- Constitute, accept, amend, redeem and extinguish mortgages, usufructs, liens, easements and any type of right in rem on realty.

Lease realty from third parties.- As lessee, arrange the lease of all types of realty, even if the lease is susceptible to registration in the Property Register, and extend, assign, amend, challenge, terminate and, if appropriate, rescind the corresponding contracts.

Lease realty to third parties.- As lessor, lease all types of realty, even if the lease is susceptible to registration in the Property Register. Grant, extend, amend, challenge, terminate and, if appropriate, rescind the corresponding contracts. Evict tenants, rural tenants and lessees.

Financial leases of realty.- Enter into, assign, amend, terminate and, as appropriate, rescind contracts with any person, natural or legal, public or private, provided that such contracts are for the purpose of financial leases in connection with realty.

Purchase and sale of vehicles and chattels.- Buy, sell, retract, swap and, by any other means, acquire or dispose of, outright or conditionally, for a deferred price, declared price or cash, any type of personalty (except the purchase and sale of shares in companies) and vehicles, without exception. Pay or collect, as the case may be, the price of the acquisitions or disposals. Constitute or accept rights in rem as guarantee and express conditions subsequent on such personalty or vehicles and, in the case of sale, accept any type of guarantee that it is possible to constitute as surety of the deferred price for the disposal of such personalty or vehicles.

Determine of his own free will, freely and without any let or hindrance, the conditions under which the aforementioned acquisitions, disposals and swaps are to be made and, to that end, perform before the motor vehicle authorities, tax authorities, city governments, customs and other public and private agencies, without exception, all types of proceedings, formalities and acts.

Lease vehicles and personalty from third parties.- As lessee, arrange the lease of all types of vehicles and personalty and grant, extend, amend, challenge, terminate and, if appropriate, rescind the corresponding contracts.

Lease vehicles and personalty to third parties.- As lessor, arrange the lease of all types of vehicles and personalty, and grant, extend, amend, challenge, terminate and, if appropriate, rescind the corresponding contracts.

Financial leases of personalty.- Enter into, assign, amend, terminate and, as appropriate, rescind contracts with any person, natural or legal, public or private, provided that such contracts are for the purpose of financial leases in connection with personalty.

Rights in rem on personalty.- Constitute, accept, amend, redeem and extinguish mortgages, pledges, usufructs and any type of right in rem on personalty.

Purchase debt claims and other intangible rights.- Buy or otherwise acquire, for cash or deferred payment, and in the conditions that he considers appropriate, all types of debt claims and other intangible rights, provided that such debt claims or rights are not represented by securities certificates or book entries.

Sell debt claims and other intangible rights.- Sell, dispose of, pledge or otherwise encumber or transfer, for cash or deferred payment, and in the conditions that he considers appropriate, all types of debt claims and other intangible rights, provided that such debt claims or rights are not represented by securities certificates or book entries.

Incorporate companies.- Incorporate companies under civil or mercantile law. Subscribe shares, debentures or equity shares and pay amounts in cash or kind of any sort. Waive the pre-emptive subscription right in the issuance of shares, debentures and equity shares. Accept exchanges, conversions and redemptions. Approve, accept and amend Articles of Incorporation and shareholder agreements with respect to the relations among them and between them and the company, supplement, replace or amend the content of the rights and obligations of the shareholders deriving from the Articles of Incorporation. Appoint, accept, resign, remove and delegate positions of representative, administrator, manager and attorney-in-fact, and in each case determine the powers, and appoint managers, members of governing bodies and other officers, with the power to designate, remove and delegate in third parties as representatives of the principal in the exercise of the functions of the office to which he is appointed.

Establish temporary joint ventures and other associations.- Constitute, extend, amend, transform, dissolve and liquidate associations, economic interest groupings, temporary joint ventures and associations of any other type. Subscribe equity shares and pay amounts in cash or kind of any sort. Waive the pre-emptive subscription right in the issuance of equity shares. Accept exchanges, conversions and redemptions. Approve, accept and amend Articles of Incorporation and shareholder agreements with respect to the relations among them and between them and the association, supplement, replace or amend the content of the rights and obligations of the shareholders deriving from the Articles of Incorporation. Appoint, accept, resign, remove and delegate positions of representative, administrator and manager, and designate, remove and delegate in third parties as representatives of the principal in the exercise of the functions of the office to which he is appointed.

Representation before governing bodies of Companies and other Associations.- Attend and vote at Shareholders' Meetings, whether ordinary, extraordinary or universal, and exercise all the rights and fulfil all the obligations inherent to the status of shareholder. Approve or challenge corporate resolutions, as appropriate.

Attend and vote at meetings of Boards of Directors, committees and any other governing body of companies, temporary joint ventures, economic interest groupings or associations of any type, and approve or challenge, as appropriate, the decisions that are adopted.

Hold offices and commissions for which he is appointed in the governing bodies of companies, temporary joint ventures, economic interest groupings and associations of any other type, and exercise all the rights and fulfil all the obligations inherent to those positions.

Representation.- Represent the principal in proceedings, appeals, investigations and complaints of any type and amount before the Central Government, Autonomous Communities, Provinces, Provincial governments, Island governments, municipal governments and groupings of municipalities, courts, tribunals, prosecutors and, generally, any other jurisdictional body and, in them, present, pursue and terminate, as plaintiff, respondent or in any other capacity, any type of proceeding, act of reconciliation, trial or procedure, be it civil, criminal, administrative, economic-administrative, contentious-administrative, governmental, or tax related, at all levels, jurisdictions and instances. Make petitions and take actions and enter objections in any proceeding, process or appeal, including motions to vacate and extraordinary appeals. Where required, personally ratify and respond to interrogatories by the parties' attorneys and generally take such judicial and extra-judicial action as may be supplementary to the proceeding in question. Present, pursue and withdraw appeals of all sorts as may be appropriate against decisions by the State, Autonomous Regions, Provinces, Provincial Governments, Island Governments, City Governments and groupings of municipalities or corporations or bodies, both public and private, that violate or may violate in any way the rights of the principal, and give such declarations and grant such documents as may be required to exercise those powers.

Appear before entities of any type and, before them, sign and pursue such proceedings, writs, petitions, requests and documents as may be necessary.



**Compromising.-** Compromise in any type of issue or dispute, and withdraw suits and appeals, under the conditions, pacts and obligations that he considers appropriate. This does not include compromises that imply the acquisition or disposal of realty or rights in rem. Agree, compromise and pact any type of debt claim, right, action, dispute or difference.

**Arbitration.-** Submit any disputes and differences to arbitration. Grant the instrument appointing arbitrators, establishing the matters submitted for resolution in the terms and conditions as he sees fit. Accept the arbitration decision or file legal appeals and generally do and grant all that the law allows in the matter of arbitration.

**Empower attorneys and lawyers.-** Grant powers to attorneys and lawyers with general powers for litigation or special procedural powers as he sees fit, including the power to subdelegate, and revoke such powers as he sees fit.

**Accept acknowledgements of debts and accord and satisfaction.-** Accept acknowledgements of debts made by third parties and the guarantees that are offered and established, including pledges, chattel mortgages, mortgages and antichresis, or the adjudication of realty and personalty, establishing, in any event, the pacts, clauses and conditions that he sees fit. Accept, as payment of debts, any type of personalty, realty and rights for their appraised value or the value that he freely accepts and in the conditions that he considers appropriate.

**Attend creditors' meetings.-** Participate on behalf of the company, exercising all its rights, in meetings of creditors regulated under the Insolvency Act 22/2003, of 9 July, and, in particular, designate, where the company itself is appointed as receiver by one-third of creditors, a professional who meets the legal conditions for appointment by the insolvency judge, in accordance with article 27 of the Act, and adhere to the proposals for agreements and attend, speak and vote at creditors' meetings, accepting or rejecting the proposed agreements and guarantees offered to secure the debt claims, in accordance with articles 103, 108 and 121 and matching articles of that Act, and participate in the execution of the agreement and, where appropriate, the liquidation of the debtor. In general, for all the foregoing, exercise the actions and rights to which he is entitled and the powers granted to creditors by the Act.

**Request notarial certificates.-** Request notarial certifications of any type. Request proceedings to establish ownership, restore chain of title, and release from liens and public instruments. Make, accept and respond to notarial notices and summonses. Sign instruments for clarification, rectification or correction of errors.

**Tax returns.-** Sign returns, settlements, lists and any other form of a tax nature.



Purchase marketable securities.- Buy or otherwise acquire, for cash or deferred payment, and in the conditions that he considers appropriate, public notes, debentures, bonds, equities, certificates and securities. Justify their acquisition and possession and receive them. Make and present declarations.

Sell marketable securities.- Sell, dispose of, pledge or otherwise encumber and transfer, for cash or deferred payment, and in the conditions that he considers appropriate, public notes, debentures, bonds, equities, certificates and securities. Convert, exchange and deliver them, make declarations and present claims.

Purchase own shares.- While complying with the requirements of article 75 and additional provision one of the Consolidated Text of the Public Corporations Act and within the limits and conditions established by the General Shareholders' Meeting that gave its authorisation, buy or otherwise acquire, for cash or instalments, own shares of the principal.

Sell own shares.- Sell, dispose of, pledge or otherwise encumber or transfer, for cash or instalments, and in the conditions that he considers appropriate, own shares of the principal.

Provide sureties and guarantees for third parties.- Provide sureties and guarantees for third parties and give, in the name of the principal, any type of guarantee, including mortgages and pledges.

Purchase realty.- Buy, recover or otherwise acquire, outright or conditionally, for a deferred price (which may be represented by bills of exchange) , received price or cash, any type of realty and rights in rem. Give and cancel the guarantees in rem that he considers appropriate as collateral for the deferred price, including mortgages on the acquired asset and express conditions subsequent, or any combination of these or other guarantees. With respect to the guarantees offered, establish formulas of cancellation that are automatic or require unilateral action by the buyer, accept, amend and exercise purchase options on realty and other rights in rem.

Sell units of realty.- Sell, exchange or otherwise dispose of, outright or conditionally, for a deferred price, received price or cash, any type of realty and rights in rem. Accept the personal and real collateral that he considers appropriate as surety for the deferred price, including pledges, mortgages and express conditions subsequent, or any combination of these or other guarantees. Collect the deferred price, issue receipts and cancel the guarantees. With respect to the guarantees received, establish formulas of cancellation that are automatic or require unilateral action by the buyer. Grant, amend and waive purchase options on realty and other rights in rem.

Sell real estate developments.- Sell homes, business premises, offices, store rooms, parking spaces and any other unit of real estate, setting the price, form of payment and any interest that he sees fit.

Delegation of powers.- Delegate any or all of the foregoing powers to the persons he considers appropriate. Limit, constrain or modify the content of any such powers in the cases and ways that he sees fit. Revoke the powers granted, regardless of the person or organ of the company to which they were granted, even if they were granted by the Board of Directors or by the directors or the Executive Committee, if any, and the attorney-in-fact will retain each and every one of the powers that he delegates.

In connection with the possibility of issuing and repurchasing shares, as described above, he may, solely with his signature:

- sell and buy own shares
- buy and sell marketable securities

B) The following powers (not delegation of faculties) have been granted to director Mr Felipe Bernabé García Pérez, in his capacity as General Secretary:

Powers that he may exercise with his signature alone:

- Representation at the opening of sealed bids.
- Supply of water, electricity and telephone.
- Foreign trade licences.
- Receive correspondence.
- Sign correspondence.
- Lease real estate from third parties.
- Establish rights in rem on movable property
- Establish companies
- Establish temporary joint ventures and other associations
- Represent the company before governing bodies of companies and other associations
- Representation.
- Compromising.
- Arbitration.
- Empower attorneys and lawyers.
- Accept acknowledgements of debts and accord and satisfaction.
- Attend creditors' meetings.
- Request notarial certificates.
- Tax returns.

Powers that he may exercise jointly with another authorised signatory with the same powers:

- Buy and contract.
- Insurance.
- Rights in rem on realty.
- Lease realty to third parties.
- Financial leases of realty.
- Purchase or sale of vehicles and movable property
- Lease vehicles and personalty from third parties.
- Lease vehicles and personalty to third parties.
- Financial leases of personalty.

**h) Significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects, except where disclosure would be seriously detrimental to the company. This exception will not be applied where the company is legally obliged to publish this information.**

None.

**i) Agreements between the company and its officers, executives and employees that provide indemnities for the event of unfair dismissal or of termination as a result of a takeover bid.**

The company has not established pension plans to supplement those of Social Security. In accordance with the Consolidated Text of the Act Regulating Pension Plans and Funds, in specific cases where there are similar obligations, the company will outsource commitments to its personnel in this connection.

Additionally, having first obtained authorisation from the Executive Committee, the Company arranged and paid the premium for insurance covering death, permanent disability, retirement bonuses and other items for some executive directors and executives, among others. In particular, the contingencies giving rise to indemnity are those that entail the extinction of the employment relationship for any of the following reasons:

- a) Unilateral decision by the employer.
- b) Dissolution or disappearance of the parent company for any other reason, including merger or demerger.
- c) Death or permanent disability.
- d) Other cases of physical or legal incapacity.
- e) Substantial modification of professional conditions
- f) Resignation, upon reaching the age of 60, at the executive's request and with the company's consent.
- g) Resignation upon reaching the age of 65, by unilateral decision of the executive.