

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

As decided by the Board of Directors on 24 April 2014, the Ordinary General Meeting of Shareholders of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. will be held at HOTEL PORTA FIRA Plaza Europa, 45, 08908 L'Hospitalet de Llobregat (Barcelona), at 4.00 pm on 23 June 2014 at first adjournment and, in the absence of a quorum, at the same place and time on 24 June 2014, at second adjournment, in order to deliberate and adopt resolutions relating to the items on the following

**AGENDA**

1. Examination and approval of the financial statements and directors' reports of Fomento de Construcciones y Contratas, S.A. and its consolidated Group for 2013, as well as the Board of Directors' conduct of business in that year.
2. Examination and approval of the proposed distribution of 2013 income.
3. Re-appointment of auditors for the Company and its consolidated Group.
4. Appointment, and re-appointment of directors.
  - 4.1 Appointment of Mr CLAUDE SERRA as proprietary director.
  - 4.2 Appointment of Mr GONZALO RODRIGUEZ MOURULLO as independent director.
  - 4.3 Appointment of Mr GUSTAVO VILLAPALOS SALAS as independent director.
  - 4.4 Appointment of Mr OLIVIER ORSINI as independent director
  - 4.5 Re-appointment of Mr RAFAEL MONTES SANCHEZ as proprietary director.
  - 4.6 Re-appointment of EAC INVERSIONES CORPORATIVAS, S.L. as proprietary director.
- 5 Remuneration of the Board of Directors
  - 5.1 Remuneration of the Board of Directors for the 2013 financial year

## 5.2 Advisory vote on the annual report on Directors' Remuneration.

- 6 Issuance of warrants in favour of certain creditor entities of the Company incorporating the option to subscribe newly issued ordinary shares in Fomento de Construcciones y Contratas, S.A. to be paid up solely through the offsetting of credits, and as a result without any preferential right of subscription, vesting in the Board of Directors, with powers of subsequent delegation, the execution and definition of all particulars of the issue not established by the General Meeting of Shareholders. Approval of the increase to the capital stock of the Company to the amount required in order to cover the exercise of the rights vested in the warrants, disbursement through the offsetting of credits, and empowerment of the Board of Directors, with powers of delegation, to execute the capital increase agreed on one or more occasions as the rights vested in the warrants are exercised.
- 7 Modification to the terms and conditions of the issue of exchangeable or convertible notes performed by Fomento de Construcciones y Contratas, S.A. amounting to 450,000,000 euros at 6.50%, maturing in 2014, empowering the Board of Directors, with powers of delegation, to execute and establish the particulars thereof where not established by the General Meeting of Shareholders. Approval of the increase of the capital stock of the Company with the amount required in order to cover the conversion of notes through the issuance of new Company shares on the basis of the new conversion price, with exclusion of the preferential right of subscription and empowerment of the Board of Directors, with powers of delegation, to execute the capital increase agreed on one or more occasions as the note conversion rights are exercised.
- 8 Broad empowerment of the directors to implement, notarise, register, rectify and execute the adopted resolutions.
- 9 Approval, as applicable, of the Meeting's minutes in any of the ways established in article 202 of the Capital Companies Act, or by application of the provisions of article 203 of that Act, as appropriate.

### Supplement to notice and presentation of additional motions

In accordance with articles 172 and 519 of the Capital Companies Act, shareholders who own at least five per cent (5%) of capital may request that a supplement be added to the present notice of meeting, including one or more items on the Agenda, as long as the new items include a justification or, if applicable, a justified resolution proposal. For those purposes, shareholders must state the number of shares they own or represent. Shareholders who wish to exercise that right must send that supplement by reliable means to the company's registered offices (c/ Balmes, 36, Barcelona) for the attention of the



General Secretary within five days from publication of this meeting announcement. The supplement must be published at least fifteen days prior to the date scheduled for General Meeting at first adjournment.

Shareholders representing that same percentage may, in the period and form indicated in the preceding paragraph, present reasoned motions on the matters already on the Agenda or to be added to the Agenda. Such motions will be published uninterruptedly on the Company's website as they are received.

#### Attendance, proxies and voting

- ***Attendance:***

In accordance with article 18 of the Articles of Incorporation, shareholders who own one or more shares are entitled to attend the General Meetings of Shareholders provided that ownership is registered in the corresponding book-entry register at least five days before the meeting date and that this can be accredited by exhibiting the pertinent certificate of legitimation or an attendance card issued by the Company, or by any other means permitted by the legislation in force.

- ***Representation:***

Any shareholder entitled to attend the General Meeting may be represented by another person, who need not be a shareholder. Representation shall be conferred according to the terms and within the scope established in the Capital Companies Act, in writing, and separately for each General Meeting, apart from the exceptions regulated by the Capital Companies Act.

If the proxy form does not name the person whom the shareholder appoints as representative, the proxy will be deemed to be granted to the Chairman of the Company's Board of Directors or the person standing in for him to chair the Shareholders' Meeting.

- ***Voting:***

Shareholders entitled to attend may vote by attending in person and voting at the Meeting, using the duly signed and completed attendance card.

- ***Voting and granting of proxy at the General Meeting of Shareholders using means of remote communication.***

I.- Voting by means of remote communication.

In accordance with the provisions of article 24 of the Articles of Incorporation and article 15 bis of the Rules of the General Meeting of Shareholders, shareholders may vote on motions relating to items on the Agenda by postal mail, electronic mail or any other remote communication means duly guaranteeing the identity of the shareholder, in accordance with the following instructions.

#### **I.1.-Voting by postal mail.**

Shareholders wishing to vote by postal mail must send a written communication indicating their vote or abstention, attaching the attendance card issued by the entities in charge of the book-entry register or the attendance card form supplied by the company.

The card, duly completed and signed, must be sent to the Company by any of the following means:

a) By delivery at the Company's registered offices (c/ Balmes, 36, 08007 Barcelona) or its Madrid offices (Av. Camino de Santiago, 40 28050 Madrid), in both cases marked for the attention of "Stock Market and Shareholder Relations Department" ("*Departamento de Bolsa y Relaciones con Inversores*").

b) By delivering the card, duly completed and signed, to the Iberclear member firm where the shares are deposited.

#### **I. 2.-Voting by electronic means.**

Shareholders who wish to vote by electronic means may do so by visiting the "Shareholders and Investors" section of the Company's website, accessing the section corresponding to the General Meeting of Shareholders, and following the specific instructions there.

Votes by electronic means must be cast using a recognised electronic signature or advanced electronic signature, under the terms of Act 59/2003, of 19 December, on electronic signatures, provided that they are based on (i) a User Electronic Certificate issued by *Autoridad Pública de Certificación Española* (CERES), an agency of the Spanish Mint (*Fábrica Nacional de la Moneda y Timbre*) that has not been revoked, or (ii) a recognised electronic certificate incorporated into the electronic National Identity Card issued under Royal Decree 1553/2005 of 23 December, regulating the issuance of the National Identity Card and its electronic signature certificates.

Any shareholder with an electronic signature that meets one of the preceding requirements and identifies him/herself by those means may vote on the items on the Agenda of the General Meeting.

## II. Granting proxy by means of remote communication.

In accordance with the provisions of articles 19 of the Articles of Incorporation and 8 of the Rules of the General Meeting of Shareholders, shareholders may grant proxies for the General Meeting by postal mail, electronic mail or any other remote communication means, in accordance with the following instructions.

### II.1.-Granting proxy by postal mail.

Shareholders wishing to grant proxy by postal mail must send to the Company a written proxy appointment, attaching the attendance card issued by the entities in charge of the book-entry register or the attendance card form supplied by the Company.

If proxy is granted to the Chairman or any other member of the Board of Directors, including the Secretary, the card must be sent to the Company by any of the following means:

- a) Delivery at the Company's registered offices (c/ Balmes, 36, 08007 Barcelona) or its Madrid offices (Av. Camino de Santiago, 40 28050 Madrid), in both cases marked for the attention of "Stock Market and Shareholder Relations Department" ("*Departamento de Bolsa y Relaciones con Inversores*").
- b) By delivering the card, duly completed and signed, to the Iberclear member firm where the shares are deposited

### II.2.-Granting proxy by electronic means.

Shareholders who wish to grant proxy by electronic means may do so by visiting the "Shareholders and Investors" section of the website, accessing the section corresponding to the General Meeting of Shareholders, and following the specific instructions there.

Proxies granted by electronic means must be granted using a recognised electronic signature or advanced electronic signature, under the terms of Act 59/2003, of 19 December, on electronic signatures, provided that they are based on (i) a User Electronic Certificate issued by *Autoridad Pública de Certificación Española* (CERES), an agency of the Spanish Mint (*Fábrica Nacional de la Moneda y Timbre*) that has not been revoked, or (ii) a recognised electronic certificate incorporated into the electronic National Identity Card issued under Royal Decree 1553/2005 of 23 December, regulating the issuance of the National Identity Card and its electronic signature certificates.

Any shareholder with an electronic signature that meets one of the preceding requirements and identifies him/herself by those means may grant proxy via the website.

### **II.3 Common rules on granting proxy by means of remote communication.**

A shareholder wishing to grant proxy by means of remote communication must notify the appointed proxy, and that person must provide evidence of acceptance. For this purpose, on the date and at the venue of the General Meeting, the designated proxies must identify themselves by means of their National Identity Card or passport, and submit a hard copy of the proxy appointment that was made by postal mail or electronic means, duly signed by the proxy and the principal.

If the principal has issued instructions, the proxy will cast the vote in accordance with them and will be obligated to keep these instructions for one year from the corresponding General Meeting.

The proxy appointment can also include items which can be dealt with at the General Meeting but which are not envisaged in the Agenda since the law allows this.

Proxies may vote only by attending the General Meeting in person.

If proxy is granted to the Chairman or any other member of the Board of Directors, including the Secretary, this communication will be deemed to have been made if the Company receives the proxy appointment.

The proxy can represent more than one shareholder; there is no limit to the number of represented shareholders. When a proxy represents several shareholders, he/she can cast different votes in accordance with each shareholder's instructions.

### **II.4-Conflicts of interest.**

For the purposes of Articles 523 and 526 of the Capital Companies Act, it is hereby noted that the Chairman of the General Meeting and any other member of the Board of Directors may be in a conflict of interest (i) with regard to item 4 of the agenda, only in the specific case of directors whose reappointment is being proposed; (ii) with regard to item 5.1 and 5.2. of the agenda; and (iii) in the cases referred to in paragraphs b) or c) of article 526.1 of the Capital Companies Act (removal of directors and shareholder derivative suits) that may arise off the Agenda as provided in that Act. In connection with all of them, if the principal does not grant specific voting instructions, the proxy shall be deemed to be granted to the Secretary of the General Meeting of Shareholders, unless expressly indicated otherwise.

### **III.-Common rules.**

#### **III.1.-Period for granting proxy and voting by means of remote communication.**

Proxies granted and votes cast by means of remote communication, whether by postal mail or electronic means, may be issued from the date of publication of the announcement

of the meeting and must be received by the Company at its registered office or through its website at least 24 hours before the time scheduled for the General Meeting, i.e. before 4:00 pm on 22 June 2014.

Proxies and votes received after that time will be deemed to be null and void, respectively.

The only proxy forms that will be accepted after that time are those granted in writing on the attendance card and presented at the registration desks at the shareholders' entrance at the venue and on the date of the General Meeting.

**III.2.-Rules of precedence regarding attendance, voting and proxies by means of remote communication.**

**III.2.1. Attendance in person takes precedence.**

Attendance at the General Meeting in person has the effect of revoking any votes cast and proxies granted by means of remote communication.

Proxies are always revocable. In any event, attendance in person by the principal at the General Meeting renders any proxy null and void.

**III.2.2. Precedence of remotes votes over proxies granted by means of remote communication.**

Votes cast by any means of remote communication override any proxy granted by electronic means or on the paper card, which shall be deemed to be revoked if granted beforehand and to be null and void if granted thereafter.

**III.2.3. Precedence where several votes are cast or proxies are granted by means of remote communication.**

Where a shareholder validly grants several proxies or validly issues several votes using different means of remote communication, the proxy and/or vote received last will prevail, and all others received before that will be deemed null and void.

**III.3. Joint ownership**

In the case of joint ownership of shares, for the purposes of article 126 of the Capital Companies Act, a joint owner who votes or grants proxy by means of remote communication will be deemed to have been designated by the other joint owners to exercise those shareholder rights.

**IV.-Technical incidents.**

The Company reserves the right to modify, suspend, cancel or restrict the electronic

mechanisms for granting proxy or voting where required for technical or security reasons.

The Company shall not be liable for any damages arising for the shareholder as a result of failures, overloads, dropped lines, connection failures, malfunction of the post, or any other event of the same or a similar nature, beyond the control of the Company, that prevent the use of remote means for voting or granting proxy.

#### **Electronic Shareholder Forum**

In accordance with article 539.2 of the Capital Companies Act, from the publication of this notice and up to midnight on 22 June 2014, an Electronic Shareholder Forum will be established on the Company's website which may be accessed by individual shareholders and any voluntary associations that are created and registered in the special register created for this purpose by the National Securities Market Commission (CNMV). The rules of the Electronic Shareholder Forum are available on the Company's website and shareholders using the Forum must adhere to them. To gain access to the Forum, shareholders must accredit their standing as such, as indicated on the website, and identify themselves as provided in this Notice of Meeting.

#### **Right to information**

Shareholders may examine the following documents, which will be submitted to the General Meeting for information or approval, at the company's registered offices, or may have them delivered immediately and free of charge upon written request:

- The full text of the announcement.
- The total number of shares and voting rights on the date of notice.
- The 2013 financial statements and directors' report of Fomento de Construcciones y Contratas, S.A.
- The 2013 financial statements and directors' report of the consolidated Group of companies of which Fomento de Construcciones y Contratas, S.A. is the parent company.
- External auditors' reports on the financial statements of the company and its consolidated Group.
- Statement of liability in connection with the financial statements.

- **The full text of the proposed resolutions submitted to the General Meeting of Shareholders for approval, and any supplement to the notice and motions presented by shareholders, as they are received by the Company.**
- **Professional profile of the persons nominated for re-appointment or appointment as directors under item 4 of the Agenda, and other information required under the Rules of the General Meeting.**
- **Annual Report on Remuneration of the Board of Directors.**
- **Director's Report; the independent expert's report appointed by the Companies Registry to prepare the report regarding the article 414.2 of the Capital Companies Act; External auditor' report regarding the article 301 of the Capital Companies Act, in connection with the resolution presented for approval under item 6 of the agenda.**
- **Director's Report; the independent expert's report appointed by the Companies Registry to prepare the report regarding the article 414 and 417 of the Capital Companies Act, in connection with the resolution presented for approval under item 7 of the agenda.**
- **The 2013 Annual Corporate Governance Report of Fomento de Construcciones y Contratas, S.A.**
- **Information on the channels of communication between the Company and its shareholders for the purposes of obtaining information or making suggestions.**
- **The means and procedures for granting proxy for the General Meeting and for voting by means of remote communication.**
- **The attendance, proxy and remote voting form.**
- **The rules of the Electronic Shareholder Forum.**

All of the documents listed above can also be viewed or downloaded at the Company's web site: [www.fcc.es](http://www.fcc.es) uninterruptedly from the time of publication of the notice of meeting until the General Meeting is held.

Up to the seventh day prior to the scheduled meeting date, shareholders may request from the Board of Directors any information or clarification they require or submit any questions in writing regarding the items on the agenda. Shareholders may also request information or clarification or submit questions in writing about the publicly-accessible information that has been filed by the Company with the National Securities Market



Commission (CNMV) since the immediately preceding General Meeting, which was on 23 May 2013, and about the auditors' report. For those purposes, shareholders may use the Company's website ([www.fcc.es](http://www.fcc.es)) or contact the Stock Market and Shareholder Relations Department (Av. Camino de Santiago, 40 28023 Madrid. Telephone: 902 109 845. E-mail: [ir@fcc.es](mailto:ir@fcc.es)).

Also, during the Meeting, shareholders may verbally request clarifications from the Board of Directors on any matter they wish with respect to the information referred to above.

### Data Protection

In accordance with Organic Act 15/1999, of 13 December, on the Protection of Personal Data, shareholders are informed that their personal data provided on the occasion of the General Meeting, and any that might arise as a result, will be incorporated into an automated file or process for the purpose of managing and administering such data and, where appropriate, that of their proxies, in the context of the General Meeting of Shareholders.

As provided by the Act, the owner of the data is entitled to access, rectify, cancel and object to the data in the file by sending the appropriate notification (accrediting the identity of the data owner by attaching a photocopy of the right-holder's National Identity Card) to the following address: FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. calle Federico Salmón, 13, 28016 Madrid, reference "Protección de datos/Data protection".

As the party responsible for the file, FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. hereby states that it has adopted the security measures required by law in its facilities, systems and files so as to guarantee the confidentiality of the personal data, except in the cases where the law requires that it must be disclosed.

Barcelona, 24 April 2014.- The Chairman of the Board of Directors.

Signed: Esther Alcocer Koplowitz

*The Meeting is expected to be held at first adjournment.*

*FCC will provide a free shuttle bus service to transport all interested shareholders to the site of the Meeting. Buses will leave from Calle Balmes, No. 36 (Barcelona) at 1:00 pm, 2:00 pm and 3:00 pm. The same shuttle service will be available upon conclusion of the meeting to take shareholders back to Calle Balmes 36.*

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

**FULL TEXT OF THE PROPOSED RESOLUTIONS PRESENTED BY THE BOARD OF DIRECTORS  
TO THE ANNUAL GENERAL SHAREHOLDERS' MEETING ON 23 JUNE 2014**

**1. Examination and approval, if given, of the annual financial statements and directors' reports corresponding to the 2013 financial year of the company Fomento de Construcciones y Contratas, S.A. and its consolidated Group, and management by the Board of Directors during said financial year.**

The following is proposed: "Approve the annual financial statements and directors' reports corresponding to the 2013 financial year of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. and its consolidated Group. These documents received a favourable opinion from the Audit and Oversight Committee, and have been verified by the Company's Accounts Auditor."

The following is likewise proposed: "Approved management by the Board of Directors of the Company during the 2013 financial year."

**2. Examination and approval, if given, of the Proposed Application of Results for the 2013 financial year.**

In accordance with the negative result recorded in the Income Statement for the corporate financial year closed at 31 December 2013, the following is proposed: "Apply the result for the 2013 financial year, with a loss of 436,494,484.46 euros to the account "Negative results from previous financial years"".

**3. Reappointment of the accounts auditors of the Company and of its consolidated Group.**

The following is proposed: Reappoint, following a favourable opinion from the Audit and Oversight committee, as Accounts Auditor of the company and of its Consolidated Group for the 2015 financial year, the firm DELOITTE, S.L., of registered office at Plaza Pablo Ruiz Picasso, 1, Madrid. Registered with the Companies Register of Madrid in Volume 13650, Page 188, Section 8, Sheet M-54414, registered in the Official Register of Accounts Auditors under number S-0692, and holder of Tax Indication Code Be7910 4469."

#### **4. Appointment and/or re-election of directors**

##### **4. 1. Appointment of Mr CLAUDE SERRA as proprietary director.**

The following is proposed: "Appoint, following a favourable opinion from the Appointments and Remunerations Committee, as a member of the Board of Directors with effect from the date of this General Meeting, and for a period of three years, Mr CLAUDE SERRA, with the status of proprietary director".

##### **4. 2. Appointment of Mr GONZALO RODRÍGUEZ MOURULLO as independent director.**

The following is proposed: "Appoint, at the proposal of the Appointments and Remunerations Committee, as a member of the Board of Directors with effect from the date of this General Meeting, and for a period of three years, Mr GONZALO RODRIGUEZ MOURULLO, with the status of independent director".

##### **4. 3. Appointment of Mr GUSTAVO VILLAPALOS SALAS as independent director.**

The following is proposed: "Appoint, at the proposal of the Appointments and Remunerations Committee, as a member of the Board of Directors with effect from the date of this General Meeting, and for a period of three years, Mr GUSTAVO VILLAPALOS SALAS, with the status of independent director".

##### **4. 4. Appointment of Mr OLIVIER ORSINI as independent director.**

The following is proposed: "Appoint, at the proposal of the Appointments and Remunerations Committee, as a member of the Board of Directors with effect from the date of this General Meeting, and for a period of three years, Mr OLIVIER ORSINI with the status of independent director".

##### **4. 5. Re-election of Mr RAFAEL MONTES SÁNCHEZ as proprietary director.**

The following is proposed: "Re-elect, following a favourable opinion from the Appointments and Remunerations Committee, as a member of the Board of Directors with effect from the date of this General Meeting, and for a period of three years, **Mr RAFAEL MONTES SANCHEZ**, with the status of proprietary director".

**4. 6. Re-election of EAC INVERSIONES CORPORATIVAS, S.L. as proprietary director.**

The following is proposed: "Re-elect, following a favourable opinion from the Appointments and Remunerations Committee, as a member of the Board of Directors with effect from the date of this General Meeting, and for a period of three years, E.A.C. INVERSIONES CORPORATIVAS, S.L., with the status of proprietary director".

**5. Remuneration of the members of the Board of Directors.**

**5. 1. Remuneration of the members of the Board of Directors corresponding to the 2013 financial year.**

In accordance with the terms of the Annual Report on the remunerations policy applicable to the Directors, which was submitted for a consultative vote and approved by the Annual General Shareholders' Meeting on 23 May 2013, and on the basis of the terms of Article 37 of the Corporate Bylaws, the remuneration system for the Directors includes remuneration comprising a share in liquid profits, and also remuneration for effective attendance at meetings of the Board and of its Committees.

According to the terms set out in the proposed resolution under Item 2 on the Agenda of this General Meeting, the results for the 2013 financial year mean that no remuneration would accrue on the part of the Directors as a share in liquid profits.

As a result, the Directors will be remunerated for performing their roles only in accordance with their attendance at meetings of the Board and its internal Committees, and for this reason the General Meeting must establish the amount corresponding to this item, to be distributed by the Board among its members, in accordance with their effective attendance at meetings.

On the basis of the above, the following is proposed: "Approve, in accordance with Article 37 of the Corporate Bylaws, that the total amount to be distributed among the Directors corresponding to the remuneration for the 2013 financial year for effective attendance at meetings of the Board and its Committees should be 783,625 euros."

**5. 2. Presentation of the Annual Report on the remuneration of Directors for a consultative vote.**

In accordance with the terms of Article 61.3 of the Securities Market Act and Article 37 of the Corporate Bylaws, the Board is required each year to draw up a Report on the remuneration of the Directors for the financial year in progress, and the application of the remunerations policy in force in the previous financial year. At its meeting held on 31 March 2014, the Board of Directors of the Company, following a prior proposal by the Appointments and Remunerations Committee, approved the annual Report on the remuneration of the Directors, which was made

available to the shareholders on the website of the Company from the time of publication of the announcement calling the General Shareholders' Meeting.

On the basis of the above, the following is proposed: "Approve, on a consultative basis, the aforementioned annual Report on the remuneration of the Directors of FCC".

**6. Issuance of warrants in favour of certain creditor entities of the Company incorporating the option to subscribe newly issued ordinary shares in Fomento de Construcciones y Contratas, S.A. to be paid up solely through the offsetting of credits, and as a result without any preferential right of subscription, vesting in the Board of Directors, with powers of subsequent delegation, the execution and definition of all particulars of the issue not established by the General Shareholders' Meeting. Approval of the increase to the capital stock of the Company to the amount required in order to cover the exercise of the rights vested in the warrants, disbursement through the offsetting of credits, and empowerment of the Board Directors, with powers of delegation, to execute the capital increase agreed on one or more occasions as the rights vested in the warrants are exercised.**

**I. ISSUANCE AND CHARACTERISTICS OF THE FCC WARRANTS**

**(a) Issuance**

It is resolved to issue a number of warrants of Fomento de Construcciones y Contratas, S.A. (the "**Company**" or "**FCC**") which will vest in the holders thereof the option to subscribe newly issued ordinary FCC shares (the "**New Shares**"), to be paid up wholly through the offsetting of credits, in accordance with the terms and conditions set out below (hereinafter, the "**FCC Warrants**", and each of them an "**FCC Warrant**") vesting in the Board Directors all powers required for the execution thereof (it being understood on each occasion on which powers are vested by virtue of this resolution that they entail express empowerment for delegation thereof on the Executive Committee and on any members of the Board of Directors).

In accordance with the status and characteristics of the issue and the capital increase in order to allow for exercise of the FCC Warrants, as subsequently detailed, and in the light of the terms of Article 304 of the Capital Companies Act ("the **Act**"), which recognises the right of preferential subscription on the part of shareholders in cases of capital increase charged to monetary contributions, the issue of FCC Warrants will not give rise to the right of preferential subscription in favour of the Company's current shareholders.

**(b) Context of and reasons for the issuance of the FCC Warrants**

On 24 March 2014<sup>1</sup> the Company signed a refinancing agreement with practically all its financial creditors, serving to restructure and refinance the financial debt of the FCC Group (the "**Facilities Agreement**" and the "**Refinancing**", respectively).

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<sup>1</sup> Following signature by the Company on 24 March 2014, a subscription period commenced, ending on 30 March 2014.



The Facilities Agreement has an initial amount of 4,512,414,340.20 Euros, and is divided into two tranches: A and B. Tranche A has an initial amount of 3,162,414,340.20 Euros, and an initial duration of 4 years. Its maturity may be extended up to a maximum period of 6 years, as described below ("**Tranche A**"). Tranche B has a maximum amount of 1,350,000,000 euros and an initial duration of 4 years ("**Tranche B**"), although the peculiarity of Tranche B is that under certain circumstances (essentially a failure to repay Tranche B upon maturity), it could be converted into shares in the Company by executing FCC Warrants or a junior loan under certain circumstances provided in the Facilities Agreement, thereby serving to reduce the total debt of the Company through the conversion of Tranche B into FCC shares, with the maturity period of Tranche A being extended for a maximum term of a further two years. As a part of the Refinancing, FCC signed other accessory agreements including, without being confined to, a Master Financial Stabilization Agreement, in order to provide the group with financial stability (regarding bonding lines, reverse factoring, leasing and other credit facilities) during the validity thereof, an International Syndicated Bond Facility for an initial amount of 250,000,000 euros and a Deferral Agreement with regard to a certain contingent obligation to provide funds to its subsidiary, Cementos Portland Valderrivas, S.A., for an amount of up to 200,000,000 euros.

Up to the Date of Close of the restructuring of the Company's financial debt (as said term is defined in the Financing Agreement), adjustments may occur to the amount of Tranche A<sup>2</sup> and the distribution of the stake of the Creditors in Tranche B, under the terms set out in the Financing Agreement. In particular, they may be adjustments as a result of the exchange rate applied at the close to the re-financed agreements which are denominated in currencies other than the euro, and as a result of an increase of the stake of any entity in Tranche A, which would lead to a redistribution of Tranche B among the Creditors.

The ordinary rate of interest on Tranche B will comprise the sum of the following components: (i) a variable component equivalent to the one-year EURIBOR payable in cash, and (ii) a fixed annual PIK margin, capitalised yearly on each Tranche B interest settlement date, up until repayment in full of Tranche B as a part of the principal of Tranche B, the maximum being 11% per annum during the first year, 13% per annum during the second year, 15% per annum during the third year 16% per annum during the fourth year, and being lower under certain circumstances, all the above pursuant to the terms set out in the Facilities Agreement.

The Refinancing Operation is based on execution of the business plan drawn up by the FCC Group, the general terms and conditions of which were described in significant event number 183,988 published by the Company on the website of the Spanish National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)) on 20 March 2013.

Failure to issue the FCC Warrants will constitute a mandatory advance amortisation event for the entire Facilities Agreement, and the Issue is thus established as a key aspect of the Refinancing.

(c) **FCC Warrant issue price**

The FCC Warrants will be issued without any premium as a part of the restructuring of the financial debt of the Company.

(d) **Recipients and holders of the FCC Warrants**

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<sup>2</sup> At the date of this Proposed Resolution, and as a result of the adjustments performed to date, the amount of the Financing Agreement totals 4,521,456,340.20 euros, the amount of Tranche A being a figure of 3,171,754,850.54 euros.

The FCC Warrants will initially be subscribed by those entities with stakes in Tranche B of the Facilities Agreement (the "**Creditors**"), to which the governing body of the Company will present the corresponding titles, at a rate of one FCC Warrant per Creditor entity.

<b>FCC Warrant number</b>	<b>FCC Warrant subscribers (the Creditors)</b>	<b>Initial amount of the principal of Tranche B</b>
1	<b>Banca March, S.A.</b>	7,212,009.92 Euros
2	<b>Banco Bilbao Vizcaya Argentaria, S.A.</b>	159,049,206.47 Euros
3	<b>Banco BPI, S.A., Sucursal en España</b>	10,736,523.53 Euros
4	<b>Banco BPI, S.A.</b>	119,404.14 Euros
5	<b>Banco Cooperativo Español, S.A.</b>	2,089,572.41 Euros
6	<b>Banco de Caja España de Inversiones, Salamanca y Soria, S.A.</b>	298,510.34 Euros
7	<b>Banco de Sabadell, S.A.</b>	83,611,395.57 Euros
8	<b>Banco Grupo Cajatres, S.A.</b>	3,044,805.51 Euros
9	<b>Banco Popular Español, S.A.</b>	103,050,188.18 Euros
10	<b>Banco Santander, S.A.</b>	258,458,566.03 Euros
11	<b>Bankia, S.A.</b>	104,597,738.35 Euros
12	<b>Bankinter, S.A.</b>	6,354,318.22 Euros
13	<b>Bank of America N.A.</b>	2,158,400.06 Euros
14	<b>Banque Marocaine du Commerce Extérieur International, S.A.</b>	1,492,551.72 Euros
15	<b>Barclays Bank, plc, Spain Branch</b>	29,851,034.45 Euros
16	<b>BNP Paribas Fortis SA/N.V.</b>	7,850,001.48 Euros
17	<b>BNP Paribas Fortis SA/N.V., Sucursal en España</b>	45,163,794.54 Euros
18	<b>Burlington Loan Management Limited</b>	2,985,103.44 Euros
19	<b>Caixa Geral de Depositos, Sucursal en España</b>	19,247,260.76 Euros
20	<b>Caixabank, S.A.</b>	178,807,573.62 Euros
21	<b>Caja Rural de Burgos</b>	447,765.52 Euros
22	<b>Catalunya Banc, S.A.</b>	10,142,172.99 Euros
23	<b>Commerzbank Aktiengesellschaft, Spain Branch</b>	5,046,429.51 Euros
24	<b>Coöperatieve Centrale Raiffeisen-</b>	2,032,589.67 Euros

<b>FCC Warrant number</b>	<b>FCC Warrant subscribers (the Creditors)</b>	<b>Initial amount of the principal of Tranche B</b>
	<b>Boerenleenbank B.A., Sucursal en España</b>	
25	<b>Dexia Crédit Local, S.A.</b>	5,587,753.08 Euros
26	<b>Dexia Sabadell, S.A.</b>	2,262,248.40 Euros
27	<b>HSBC Bank plc, Spain Branch</b>	7,850,001.48 Euros
28	<b>Ibercaja Banco, S.A.</b>	1,356,924.81 Euros
29	<b>Official Credit Institute</b>	82,451,467.95 Euros
30	<b>KBC Bank N.V., Sucursal en Londres</b>	2,032,589.67 Euros
31	<b>Kutxabank, S.A.</b>	30,106,431.06 Euros
32	<b>Liberbank, S.A.</b>	9,042,413.14 Euros
33	<b>Mizuho Corporate Bank Nederland N.V.</b>	5,290,590.27 Euros
34	<b>Mondragón S. Coop.</b>	298,510.34 Euros
35	<b>Natixis, S.A., Sucursal en España</b>	7,850,001.48 Euros
36	<b>NCG Banco, S.A.</b>	9,461,852.02 Euros
37	<b>Société Générale, Sucursal en España</b>	54,300,636.37 Euros
38	<b>The Royal Bank of Scotland plc</b>	20,975,827.13 Euros
39	<b>The Bank Of Tokyo-Mitsubishi Limited, Sucursal en España</b>	12,509,188.14 Euros
40	<b>Unicaja Banco, S.A.</b>	54,776,648.21 Euros
	<b>TOTAL</b>	<b>1,350,000,000.00 Euros</b>

At the date of this Proposed Resolution, Mondragón S. Coop. has not subscribed to the Financing Agreement, and as a result is not the holder of a stake in Tranche B. Likewise, and as a result of certain adjustments referred to in subsection I(b) above, the amount of the Tranche B principal is to date 1,349,701,489.66 euros, while Tranche A amounts to 3,171,754,850.54 euros. This notwithstanding, according to the Refinancing documents, Mondragón S. Coop. will be entitled to subscribe to the Financing Agreement with the majorities established in the Refinancing documents up until the point of execution of the Issue and handover of the FCC Warrants to the Creditors which at that time are holders of Tranche B. As a result, in the event that prior to this point Mondragón S. Coop. has subscribed to the Financing Agreement, the issue and handover of the corresponding FCC Warrant will proceed in accordance with the amount indicated in the table. As a result, express provision is made for the possibility of incomplete subscription of the FCC Warrants.

The FCC Warrants will be transferable in the manner set out in subsection I (j) below, and as a result the entity ultimately exercising the option vested in the FCC Warrant may be other than any of the Creditors.

(e) **Preferential subscription rights**

Since, in accordance with the purpose and justification of the resolution referred to in this report, the only holders of the FCC Warrants may be the Creditor entities or their assignees, and the capital increase through exercise of the rights vested in the FCC Warrants will be performed by means of the offsetting of credits, the FCC Warrant issue will not include any preferential subscription rights in favour of the current shareholders of the Company this being acknowledged by Article 304 of the Act only in the case of increases charged to monetary contributions.

(f) **Rights vested in the FCC Warrants**

The FCC Warrants confer on their holders the option to subscribe newly issued shares in the Company by means of the offsetting of credit rights derived from Tranche B of the Facilities Agreement pending amortisation at the time of the offsetting (including the principal and capitalised interest pending payment at the point of offsetting, in accordance with the terms laid down in the Facilities Agreement) (the "**Credits**") within the context of the capital increase subsequently detailed. As a result, the number of New Shares corresponding to each holder of the FCC Warrants will be equivalent to division of the amount of the credits to be offset by each holder by the subscription price of the New Shares (the "**Subscription Price**"), rounding to the closest whole number of FCC shares. In the event that, as a result of the calculation performed, there are fractions of shares, that part of the Credits not offset will be settled in cash.

(g) **Exercise of the FCC Warrants**

The FCC Warrants will be exercisable by their holders if (a) an FCC Warrant Exercise Event as indicated below occurs, in accordance with the terms of the Facilities Agreement, and (b) this is so agreed by Creditors with an overall stake in Tranche B equal to or greater than 75% of the outstanding total balance pending payment of Tranche B at the time when the decision is taken (the "**Reinforced Majority of Tranche B Creditors**").

*FCC Warrant Exercise Events*

In accordance with the terms and conditions of the Facilities Agreement, the FCC Warrants may be exercised in the event of the following circumstances:

- (a) If, three months prior to the **Initial Maturity Date** full repayment of Tranche B has not occurred (the "**Ordinary Conversion Event**"), although (i) the conversion may not be performed prior to the Initial Maturity Date (notwithstanding that prior to said date the necessary actions for the effective conversion to take place with all possible haste upon the Initial Maturity Date may be taken), and (ii) the conversion may be deemed null and void by FCC if it repays in cash the entire Tranche B debt prior to the date when the FCC Board of Directors meets to pass the resolutions for execution of the capital increase of the amount required in order to cover the exercise of the rights vested in the FCC Warrants (the "**Conversion Date**"), under the terms established in the Facilities Agreements; or
- (b) on any other prior date when:
  - (i) the following have occurred: (1) non-payment of any amount owed by virtue of the Facilities Agreement in any regard (either upon ordinary maturity or because of the occurrence of a total or partial mandatory advance amortisation event other than failure by the courts to approve the Restructuring under the

terms established in the Facilities Agreement); or (2) the commencement of creditor insolvency proceedings at FCC; or

- (ii) if the Facilities Agreement has been deemed subject to advance maturity as a result of the occurrence of an advance maturity event other than those set out in subsection (b)(i) above, in accordance with the terms of the Facilities Agreements;

(any of the above events will be referred to as an "**Advance Conversion Event**", and together with the Ordinary Conversion Event, an "**FCC Warrant Exercise Event**").

The "**Initial Maturity Date**" will be understood as the fourth anniversary of the date when the Facilities Agreement became fully valid and enforceable, upon fulfilment of all conditions precedent for the effectiveness thereof.

#### *Reinforced Majority of Tranche B Creditors*

The decision by the Reinforced Majority of Tranche B Creditors to exercise the FCC Warrants in the event of an FCC Warrant Exercise Event will, subject to the exceptions set out below, be binding on all holders of the FCC Warrants, including those Creditors voting against said decision, and those not participating. Nonetheless, those Creditors which, for any reason, do not wish to convert their stake in Tranche B into New Shares may waive said right, in which case their rights to collect the principal of Tranche B corresponding to them will automatically be novated as a junior loan, of the characteristics set out in the Facilities Agreement, thereby cancelling their FCC Warrants.

#### *Conversion Deactivation Events*

In accordance with the terms and conditions of the Facilities Agreement, the Credits will no longer be open to offsetting if, prior to the Conversion Date, the following requirements are cumulatively fulfilled (the "**Conversion Deactivation Events**"):

- (i) FCC has demonstrated that the Financial Debt/EBITDA Ratio in any half-year is equal to or lower than 4x;
- (ii) FCC has repaid at least 1,500,000,000 euros of the Refinancing (of any tranche); and
- (iii) the recurrent EBITDA of the FCC Group for the financial year immediately prior to that when the Financial Ratio referred to in subsection (i) was calculated was equal to or greater than 750,000,000 euros

#### *Actions following exercise of the FCC Warrants*

Following exercise of the FCC Warrants by the Tranche B Creditors, the Company will perform and execute all actions and instruments required or desirable for issuance of the New Shares and the subsequent listing thereof for trading on those secondary markets on which FCC shares are currently listed.

- (h) **Subscription Price of the ordinary shares of the Company through exercise of the FCC Warrants. Adjustments**

The subscription price of the New Shares in the Company following exercise of the option vested in the FCC Warrants will be whichever is the greater of: (i) the par value of the FCC shares; and (ii) **the volume-weighted average price (vwap) of the FCC shares over a period of eight (8) weeks (the "Share Subscription Price")** on the corresponding dates in accordance with the terms of the Facilities Agreement. To the extent that the Share Subscription Price is benchmarked to the quoted price of the

FCC shares on dates close to the issue thereof, there is no requirement to establish pre-dilution adjustment formulae for the Share Subscription Price for an event in which there are alterations to the capital stock of FCC, as the quoted price on the basis of which the Share Subscription Price is established will already take into consideration this effect.

As a result, the number of New Shares corresponding to each holder of FCC Warrants will be equivalent to dividing the amount of the credits to be offset by each holder by the Share Subscription Price.

(i) **Expiry of the Warrants**

The FCC Warrants will expire (i) at the point at which the Company has handed the New Shares over to the holders of the FCC Warrants once they have been exercised; (ii) in the event that Conversion Deactivation Events occur; (iii) in the event that they cannot be exercised in accordance with the terms and conditions of the Facilities Agreements; (iv) if a period of 6 months has elapsed from the Initial Maturity Date (the "**FCC Warrant Expiry Date**") and the FCC Warrants have not been exercised; or (v) in the event of total or partial amortisation or repurchase of Tranche B (in the event of partial amortisation or repurchase, only the corresponding proportion will expire).

(j) **Form of representation of the FCC Warrants**

The FCC Warrants will be represented by means of named titles, the Company being required to maintain a register of the holders thereof.

(k) **Transferability of the FCC Warrants**

The FCC Warrants will be freely transferable, although they may not be disposed of or transferred in any way which would be independent of the Tranche B Credits from which they are derived, nor may the Tranche B Credits be disposed of or transferred in any way which would be independent of the FCC Warrants. In turn, in accordance with the terms of the Facilities Agreement, Tranche B may only be transferred jointly with Tranche A.

In the event of the partial assignment of the Tranche B Credits or the intention by a holder of an FCC Warrant to transfer a part of the rights vested in said FCC Warrant in proportion to the Credits forming the object of the assignment, the Company will perform a split of the FCC Warrant of the assigning holder such that said holder would receive from the Company as many FCC Warrants as required in order to transfer to the assignee or assignees the Tranche B conversion option corresponding to the Credit being assigned.

The Company must be informed of transfer of the FCC Warrant, and will enter the new holder in the register, and cancel, replace and issue the corresponding named titles in favour of the new holder.

(l) **Non-listing of FCC Warrants**

The FCC Warrants will not be listed for trading on any secondary market.

(m) **Issue Guarantees**

The FCC Warrants are not especially guaranteed.

(n) **Modification of the terms and conditions of the FCC Warrants**

Any modification to the terms and conditions of the FCC Warrants will require the agreement of the Company and also of the majority of Creditors required for this purpose in the Facilities Agreement.

Agreement of the corresponding majority of the Creditors under the Facilities Agreement will be understood legally to constitute an agreement of the majority of the holders of the FCC Warrants for the purposes of implementation of a modification to the terms and conditions of the FCC Warrant issue.

This notwithstanding, any modification or variation to the terms and conditions of the FCC Warrants which is formal, minor or technical in nature, or is to correct a manifesto error (and which has no negative impact on the rights of the FCC Warrant holders) may be performed directly by the Company, provided that the Facilities Agreement agent has granted its prior, written consent for this purpose.

The named titles representing the FCC Warrants must be duly substituted by the Company in order to reflect any modifications to the terms and conditions of the FCC Warrants undertaken in accordance with the terms of this section I (m).

**(o) Regulations applicable to the Warrants and Legal Forum**

The FCC Warrants will be governed by standard Spanish legislation. By subscribing the FCC Warrants, the holders accept that any dispute between the FCC Warrant holder and the Company will be settled under the jurisdiction of the courts and tribunals of the City of Madrid.

It is lastly indicated that, in accordance with the terms of Article 414.2 of the Act, the Companies Register of Barcelona was called upon to appoint an auditor other than the FCC auditor for the purpose of issuance of a report by an accounts auditor other than the Company's auditor, issuing a judgment, on the basis of Confirmation of the Directors, with regard to the circumstances specified in said legal principle, which will be made available to the shareholders upon publication of the announcement of the General Shareholders' Meeting.

**II. INCREASE THROUGH OFFSETTING OF CREDITS FOR AN AMOUNT NECESSARY IN ORDER TO COVER THE FCC WARRANTS**

**(a) Capital increase through offsetting of credits**

It is agreed to increase the capital stock of the Company on one or more occasions by the amount required in order to cover the exercise of the rights vested in the FCC Warrants, the consideration for the increase being the Credits to be presented for offsetting in accordance with the terms of Article 301 of the Act, with provision for incomplete subscription.

The amount of the capital increase will be dictated by the aggregate par value of the New Shares to be handed over as a result of exercise of the option granted by virtue of the FCC Warrants. The number of New Shares to be issued will be the result of dividing (i) the amount of the Credits to be offset, comprising the principle of Tranche B and capitalised interest pending payment at the time of offsetting, as described in the subsection 0 0 below, by (ii) the Share Subscription Price, which will be established in the manner described in subsection I 0 above.

Pursuant to Article 297.1(a) of the Act, it is resolved to vest in the Board of Directors (it being understood that on each occasion that powers are delegated by virtue of this resolution, they expressly entail empowerment to perform subsequent delegation, in accordance with the regulations in force, on the Executive Committee or any of its corresponding members), powers to execute on each occasion, in whole or in part, the increase required in order to cover exercise of the option vested in the FCC Warrants, through the issuance of New Shares in the Company, in accordance the characteristics detailed below.



**(b) Nature and characteristics of the Credits to be offset.**

The Credits to be offset will be those amounts of Tranche B of the refinanced FCC debt (including the principal and capitalised interest pending payment at the time of the offsetting, in accordance with the terms of the Facilities Agreement) which the Company has not repaid on the date when the Tranche B debt to be converted is established, in accordance with the terms of the Facilities Agreement, following occurrence of any of the FCC Warrant Exercise Events.

Pursuant to the terms of Article 301 of the Act, together with the announcement of the General Meeting the shareholders will be provided with a certificate from the Company's accounts auditors accrediting that, according to the results of the Company's accounting records, the Credits will, at the point of offsetting, be liquid, due and enforceable in their entirety, and that the details set out in the report drawn up by the Directors regarding the Credits to be offset are precise. The Company's auditor will likewise issue on or prior to the date of execution of the corresponding capital increase in order to cover the rights vested in the FCC Warrants a supplementary certificate accrediting that, according to the Company's accounting records, all the Credits offset in said amount are liquid, due and enforceable on that date.

**(c) Subscription price of the Shares upon exercise of the FCC Warrants**

The Subscription Price of the New Shares in the Company following exercise of the option vested in the FCC Warrants will be whichever is the greater of: (i) the par value of the FCC shares; and (ii) the volume-weighted average price (vwap) of the FCC shares over a period of eight (8) weeks.

As a result, the number of New Shares corresponding to each holder of the FCC Warrants will be equivalent to division of the amount of the credits to be offset by each holder by the Subscription Price of the Shares, rounding to the closest whole number of FCC shares. In the event that, as a result of the calculation performed, there are fractions of shares, that part of the Credits not offset will be settled in cash.

**(d) Rights of the New Shares**

The New Shares will vest in their holders the same voting and economic rights as the ordinary shares of the Company currently in circulation, from the Conversion Date forwards.

**(e) Right of Preferential Subscription**

There will be no rights of preferential subscription over the New Shares, pursuant to the terms of Article 304 of the Act.

**(f) New Share issue**

Once the FCC Warrants have been exercised by the Tranche B Creditors, the Company will perform and implement all actions and execute all instruments required or desirable for the issuance of the New Shares and the subsequent listing thereof for trading on the secondary markets on which the FCC shares are traded.

**(g) Listing of the shares**

Admittance for trading of the New Shares issued will furthermore be requested on those secondary markets on which the ordinary shares of the Company are currently listed (at present the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and through the Continuous Market), subject to any regulations which may exist or may be issued in this regard, in particular regarding contracting, permanence and exclusion from official listing.

(h) **Incomplete subscription**

For the purposes provided in Article 311.1 of the Act, express provision is made for the possibility of incomplete subscription of the capital increase. As a result, if the ordinary new shares in the Company are not subscribed in full, the capital increase may be declared closed for the amount corresponding to the Credits actually offset through exercise of the FCC Warrants.

(i) **Modification to Article 5 of the Company Bylaws**

As a result of the capital increase, it is resolved to modify Article 5 of the Corporate Bylaws, on each occasion on which the capital stock of the Company is increased by exercising this resolution, delegating in turn the definitive redrafting thereof on the Board of Directors in accordance with the terms of subsection (j) below.

(j) **Effectiveness of the capital increase**

The Board of Directors or the Executive Committee of the Company may deem the capital increase referred to in this report null and void after the Date of Expiry of the FCC Warrants only if upon said date the FCC Warrants have not been exercised by their holders, being required in this case to report to the next General Shareholders' Meeting of the Company which is held.

**III. DELEGATION OF POWERS**

Notwithstanding the specific delegations of powers contained in the above subsections, the Board of Directors is empowered, to the full extent required in Law and with express powers of subsequent delegation on the Executive Committee and on any members of the Board of Directors, in order that any of them might, jointly and severally, execute this resolution, enjoying in particular powers which would by way of example include, without being confined to, the following:

- (i) To expand and develop this resolution in the terms necessary for full execution hereof, fully complying with the terms of this resolution, in particular to establish the date or dates for the issuance of the FCC Warrants and of the New Shares, the subscription procedure, the period for establishment of the Subscription Price of the Company Shares, the terms and conditions of the issue in all particulars not provided in this resolution, and to perform all actions required for the proper execution and operation of the issue and the presentation and functioning of the FCC Warrants, including, where applicable, the issuance of new titles in the event that a split thereof is performed, and the placement of any public announcements which may be required.
- (ii) To rule as to any modification to the terms and conditions of the FCC Warrants provided that such modifications (i) are agreed within the context of the Facilities Agreement and under the terms provided in subsection I (m) of this resolution, and (ii) do not involve for the Company shareholders any dilutions greater than that already provided in the terms and conditions of the FCC Warrants included in this resolution.
- (iii) To appear before a notary and execute the corresponding public deed of issuance of the FCC Warrants forming the object of this resolution, and to request registration with the Companies Register of the aforementioned public deed, and perform any announcements of the issue which may be required, and to execute any public or private instruments necessary in order to declare the closure of the FCC Warrant subscription.
- (iv) To verify whether the conditions required have been fulfilled in order, pursuant to the terms and conditions of the Facilities Agreement, for the rights vested in the FCC Warrants to be

exercisable, allowing execution of the capital increase or increases through the offsetting of credits to proceed.

- (v) To execute the resolution for the increase of capital in the Company, issuing and releasing, on one or more occasions, ordinary shares representing this as required in order to allow the option of the FCC Warrant holders to be exercised, and to redraft the article of the Corporate Bylaws regarding the capital stock, deeming null and void that part of the capital increase not required through the exercise of the rights of the FCC Warrant holders, and to request the listing for trading on Spanish Stock Markets and inclusion within the Spanish 'SIBE' Stock Exchange Interconnection System of the ordinary shares issued.
- (vi) To draw up, subscribe and, where applicable, present to the Spanish National Securities Market Commission (the "**CNMV**"), or any other applicable supervisory authorities, with regard to the issuance and admission for trading of the New Shares issued as a result of exercise of the FCC Warrants, the information prospectus and any supplements thereto required, assuming the corresponding liability, in addition to all other documents and information required pursuant to the terms of Securities Market Act 24/1988, of 28 July 1988, and of Royal Decree 1310/2005, of 4 November 2005 (modified by Royal Decree 1698/2012, of 21 December 2012), with regard to the listing for trading on official secondary securities markets, public offers for sale or subscription and the prospectus required for these purposes, to the extent applicable; and likewise to perform on behalf of the Company any action, declaration or administrative procedure required before the CNMV, the clearing company 'Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.' ("**Iberclear**"), the Stock Exchange Governance Companies, and any other body or entity, or public or private, Spanish or foreign register, and to perform all procedures required for the new ordinary shares resulting from the capital increase to be registered in accounting registers as applicable and listed for trading on the secondary markets on which the Company shares currently in circulation are listed (at present, the Stock Markets of Madrid, Barcelona, Bilbao and Valencia).
- (vii) To negotiate and sign, and also to confirm or corroborate, where applicable, under the terms deemed most appropriate, any agreements required with the financial entities which may where applicable be involved in the issuance and placement of the FCC Warrants.
- (viii) To rectify, clarify, interpret, specify or supplement the resolutions passed by the General Shareholders' Meeting, or any which may arise in any deeds or instruments executed in performance thereof, and in particular any defects, omissions or errors of form or substance preventing the resolutions and the consequences thereof from being registered by the Companies Register, the Official Registers of the CNMV, or any others.
- (ix) To execute on behalf of the Company any public or private instruments required or desirable for the issuance of the FCC Warrants forming the object of this resolution and, in general to perform all procedural steps required for implementation of this resolution and the effective release of the FCC Warrants, including signature of the named titles representing the FCC Warrants.



- 7. Modification to the terms and conditions of the issue of exchangeable or convertible notes performed by Fomento de Construcciones y Contratas, S.A. for an amount of 450,000,000 euros at 6.50%, maturing in 2014, empowering the Board of Directors, with powers of delegation, to execute and establish the particulars thereof where not established by the General Shareholders' Meeting. Approval of the increase of the capital stock of the Company of the amount required in order to cover the conversion of notes through the issuance of new Company shares on the basis of the new conversion price, with exclusion of the preferential right of subscription and empowerment of the Board of Directors, with powers of delegation, to execute the capital increase agreed on one or more occasions as the note conversion rights are exercised.**

**I. MODIFICATION OF THE TERMS AND CONDITIONS OF THE NOTES**

**(a) Context of and reasons for the modification of the terms and conditions of the notes**

On 24 March 2014<sup>3</sup> Fomento de Construcciones y Contratas, S.A. (the "Company") signed a refinancing agreement with practically all its financial creditors, serving to restructure and refinance the financial debt of the FCC Group (the "Facilities Agreement" and the "Refinancing", respectively).

The Facilities Agreement has an initial amount of 4,512,414,340.20 Euros, and is divided into two tranches: A and B. Tranche A has an initial amount of 3,162,414,340.20 Euros, and an initial duration of 4 years. Its maturity may be extended up to a maximum period of 6 years, as described below ("Tranche A"). Tranche B has a maximum amount of 1,350,000,000 euros and an initial duration of 4 years ("Tranche B"), although the peculiarity of Tranche B is that under certain circumstances (essentially a failure to repay Tranche B upon maturity), it could be converted into shares in the Company or into a junior loan under certain circumstances provided in the Facilities Agreement, thereby serving to reduce the total debt of the Company through the conversion of Tranche B into FCC shares, with the maturity period of Tranche A being extended for a maximum term of a further two years.

Up to the Date of Close of the restructuring of the Company's financial debt (as said term is defined in the Financing Agreement), adjustments may occur to the amount of Tranche A<sup>4</sup> and the distribution of the stake of the Creditors in Tranche B, under the terms set out in the Financing Agreement. In particular, they may be adjustments as a result of the exchange rate applied at the close to the re-financed agreements which are denominated in currencies other than the euro, and as a result of an increase of the stake of any entity in Tranche A, which would lead to a redistribution of Tranche B among the Creditors.

As a part of the Refinancing, FCC signed other accessory agreements including, without being confined to, a Master Financial Stabilization Agreement, in order to provide the group with financial stability (regarding bonding lines, reverse factoring, leasing and other credit facilities) during the validity thereof, an International Syndicated Bond Facility for an initial amount of 250,000,000 euros and a Deferral Agreement with regard to a certain contingent obligation to provide funds to its subsidiary, Cementos Portland Valderrivas, S.A., for an amount of up to 200,000,000 euros.

<sup>3</sup> Following signature by the Company on 24 March 2014, a subscription period commenced, ending on 30 March 2014.

<sup>4</sup> At the date of this Proposed Resolution, and as a result of the adjustments performed to date, the amount of the Financing Agreement totals 4,521,456,340.20 euros, the amount of Tranche A being a figure of 3,171,754,850.54 euros.



The Refinancing Operation is based on execution of the business plan drawn up by the FCC Group, the general terms of which were described in significant event number 183,988 published by the Company on the website of the Spanish National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)) on 20 March 2013.

The entry into force of the Facilities Agreement is subject to certain conditions precedent, which include the staging of and approval by the general assembly of the syndicate of noteholders of the Issue (as this term is defined below) (the "**General Assembly**") of certain modifications to the terms and conditions of the exchangeable or convertible notes issued by the Company (the "**Notes**").

It is in particular necessary to modify, among others, the following terms and conditions of the Notes:

- (i) to extend the maturity date of the Notes, currently established as 30 October 2014, by a period which may not be prior to the maturity date of the Facilities Agreement (whether this is the Initial Maturity Date or, if Tranche B has been converted into FCC shares, the Final Maturity Date, as these terms are defined in the Financing Agreement); and
- (ii) to reduce the conversion price from 37.85 euros per share as at present, to 30 euros/share.

The aforementioned modifications will be submitted for approval by the General Assembly, which is scheduled to be held at the first call on 5 May 2014 or subsequently (at the second call) if the required quorum at the first call is not met, namely 2/3 of the full amount of the Notes.

Notwithstanding the above, full effectiveness of the modifications to the terms and conditions of the Notes in the event that they are approved by the General Assembly likewise requires approval by the General Shareholders' Meeting of FCC, registration with the Companies Register, and effective entry into force of the Refinancing.

In the event that any of the aforementioned conditions is not met, this would constitute a mandatory advance amortisation event for the Facilities Agreement.

Given all the above, approval by the General Shareholders' Meeting of FCC of this Resolution comprises a key aspect of the Refinancing.

**(b) Resolution to modify the terms and conditions of the Notes**

It is resolved, with regard to the Note issue performed by the Company, for an amount of 450,000,000 euros, at an interest rate of 6.50% per annum, an initial conversion price of 39.287 euros, maturity in 2014 and ISIN code XS0457172913 (the "**Issue**"), which was registered on the sheet held in the name of the Company at the Companies Register of Barcelona, to modify the terms and conditions of the Notes (the "**Terms and Conditions**"), empowering the Board of Directors as necessary for the execution thereof (it being understood that on each occasion on which powers are vested by virtue of this resolution, they entail express powers for the delegation thereof on the Executive Committee and on any members of the Board of Directors) as indicated below:

- (a) *Condition 1(c) (Status of the Notes and Subordination) shall be deleted in its entirety and replaced with the following:*

*"Status of the Notes*

*The Notes constitute direct and (subject to Condition 2 (Negative Pledge) unsecured obligations ("créditos ordinarios") of the Issuer and rank pari passu and rateably, without any preference among*

*themselves, and shall rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are mandatory and of general application."*

(b) Condition 3 (Definitions) shall be amended as follows:

(i) *The definition of "Final Maturity Date" shall be deleted in its entirety and replaced with the following:*

*"Final Maturity Date" means 30 October 2020."*

(ii) *The definitions "Optional Redemption Date", "Optional Redemption Notice" and "Optional Redemption Price" shall be inserted with the following content:*

*"Optional Redemption Date" has the meaning provided in Condition 7(e).*

*"Optional Redemption Notice" has the meaning provided in Condition 7(e).*

*"Optional Redemption Price" has the meaning provided in Condition 7(e)."'*

(iii) *The definitions of "Senior Creditors", "Senior Facilities Agreement", "Senior Liabilities" and "Subordination End Date" shall be deleted in their entirety.*

(c) Condition 4(d) (Closed Periods) shall be deleted in its entirety and replaced with the following:

*"Closed Periods*

*Neither the Issuer nor the Registrar will be required to register the transfer of any Note (or part thereof) (a) during the period of 7 (seven) days immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Notes pursuant to Condition 7(e); (b) in respect of which a Conversion Notice has been delivered in accordance with Condition 6(g) or where an Issuer Conversion Notice shall have been given pursuant to Condition 6(a)(ii); or (c) in respect of which a holder has exercised its right to require redemption pursuant to Condition 7(b); or (d) during the period of 7 (seven) days ending on (and including) any Record Date (as defined in Condition 8(c)) in respect of any payment of interest on the Notes."*

(d) Condition 6 (Conversion of Notes) shall be amended as follows:

(i) *The third paragraph of Condition 6(a)(i) (Exercise of Conversion Rights by Noteholders) shall be deleted in its entirety and replaced with the following:*

*"The Conversion Price is euro 30.00 per Ordinary Share. On the basis of the initial Conversion Price, each euro 50,000 nominal amount of Notes would entitle the holder to receive (subject as provided in these Conditions) 1,666.66 Ordinary Shares. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b)."'*

(ii) *The fifth paragraph of Condition 6(a)(i) (Exercise of Conversion Rights by Noteholders) shall be deleted in its entirety and replaced with the following:*

*"Subject to, and as provided in these Conditions, the Conversion Right in respect of a Note may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from 15 December 2009 (the **Conversion Commencement Date**) (i) to the close of business (at the place where the relevant Note is delivered for conversion) on*

*the date falling 7 (seven) Trading Days prior to the Final Maturity Date (both days inclusive), or (ii) if the Notes shall have been called for redemption pursuant to Condition 7(e) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the date falling 7 (seven) Trading Days prior to the Optional Redemption Date or, (iii) if the Issuer shall exercise the Issuer Conversion Right pursuant to Condition 6(a)(ii), up to the close of business on the sixth Trading Day prior to the last possible date on which the Issuer Conversion Settlement Period (as defined in Condition 6(a)(ii) could end, in each case unless there shall be default in making payment in respect of such Note on such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 15 or, if earlier, the Final Maturity Date; provided that, in each case, if the final such date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of the Conversion Right by Noteholders shall end on the immediately preceding business day at the place aforesaid.”*

- (iii) *The sixth paragraph of Condition 6(a)(i) (Exercise of Conversion Rights by Noteholders) shall be deleted in its entirety and replaced with the following:*

*“Without prejudice to the foregoing paragraph of this Condition 6(a)(i), Conversion Rights may not be exercised (a) in respect of a Note for which the relevant holder has either (i) given notice pursuant to Condition 10, or (ii) exercised its right to require the Issuer to redeem pursuant to Condition 7(b), or (b) when the Commissioner, acting upon a Resolution of the Noteholders, has given notice in respect of all Notes pursuant to Condition 10.”*

- (iv) *The definition of “Threshold Amount” in Condition 6(b)(v) (Extraordinary Distributions) shall be amended by the addition of the following six rows:*

<i>Relevant Fiscal Year ending:</i>	<i>Threshold Amount (euros)</i>
<i>31 December 2015</i>	<i>1.20</i>
<i>31 December 2016</i>	<i>1.20</i>

- (v) *The eighth paragraph of Condition 6(g) (Procedure for exercise of Conversion Rights) shall be deleted in its entirety and replaced with the following:*

*“Notwithstanding the provisions of the preceding paragraph, (a) in the case of Conversion Notices delivered in respect of which the Conversion Date falls on any date during December 2009 or January 2010, the Issuer shall act upon any such Conversion Notice on the tenth day of February 2010 or, if such*



*day is not a Madrid/Barcelona business day, the following Madrid/Barcelona business day, and (b) in the case of Conversion Notices delivered in respect of which the Conversion Date falls after the seventh Madrid/Barcelona business day prior to the first day of the calendar month in which (or, if such day is not a Madrid/Barcelona business day, the following Madrid/Barcelona business day) the Final Maturity Date or the Optional Redemption Date falls or the last day of the Triggering Event Period (as the case may be), the Issuer shall act upon any such Conversion Notice not later than the Madrid/Barcelona business day prior to the Final Maturity Date, the Optional Redemption Date or the last day of the Triggering Event Period (as the case may be)."*

(vi) Condition 6(k) (Interest on Conversion) shall be inserted with the following content:

(k) Interest on Conversion

*If any notice requiring the redemption of the Notes is given pursuant to Condition 7(e) on or after the fifteenth Madrid/Barcelona business day prior to a Record Date which has occurred since the last Interest Payment Date in respect of any Distribution or dividend payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 (fourteen) days after the Interest Payment Date next following such Record Date, interest shall accrue at the rate provided in Condition 5(a) on Notes in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such Record Date and on or prior to the Interest Payment Date next following such Record Date in respect of such Distribution or dividend, in each case from and including the preceding Interest Payment Date to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 (fourteen) days after the relevant Conversion Date by transfer to a euro account with a bank in a city in which banks have access to the TARGET System in accordance with instructions given by the relevant Noteholder in the relevant Conversion Notice."*

(e) Condition 7 (Redemption, Purchase and Triggering Event Protections) shall be amended as follows:

(i) Condition 7(a) (Final Redemption) shall be deleted in its entirety and replaced with the following:

*"Final Redemption*

*Unless previously purchased and cancelled, redeemed or converted as herein provided, the Notes will be redeemed at their principal amount on the Final Maturity Date. The Notes may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 7(e)."*

(ii) The first paragraph of Condition 7(b) (Redemption at the option of the Noteholders following a Triggering Event) shall be deleted in its entirety and replaced with the following:

*"If a Triggering Event shall occur, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date at the Put Price, together with accrued interest to (but excluding) the Put Date."*

(iii) Condition 7(e) (Redemption at the Option of the Issuer) shall be inserted with the following content:

*“(e) Redemption at the Option of the Issuer*

*The Issuer may, at any time on or after 30 October 2018, on giving not less than 15 (fifteen) and not more than 20 (twenty) days’ notice (the **Optional Redemption Notice**) to the Noteholders, redeem all, but not some only, of the Notes on the date (the **Optional Redemption Date**) specified in the Optional Redemption Notice at their principal amount together with accrued and unpaid interest to (but excluding) such date fixed for redemption (the **Optional Redemption Price**).*

*Any Optional Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date, the Optional Redemption Price and the applicable Record Date, (ii) the Conversion Price, the aggregate principal amount of the Notes outstanding and the Closing Price, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice, and (iii) the last day on which Conversion Rights may be exercised by Noteholders.”*

*Therefore, the alphabetical order of the following sections shall be adjusted as appropriate. Consequentially 7(e), 7(f) and 7(g) should read and are amended to read as, 7(f), 7(g) and 7(h).*

- (iv) *Condition 7(f) (as amended above) (Purchase) shall be deleted in its entirety and replaced with the following:*

*“Purchase*

*Subject to the requirements (if any) of any stock exchange on which the Notes may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise at any price. Such Notes shall be surrendered to the Fiscal Agent for cancellation.”*

- (f) *Condition 8(c) (Record Date) shall be deleted in its entirety and replaced with the following:*

*“Record Date*

***Record Date** means the seventh business day, in the place of the specified office of the Registrar, before the due date for the relevant payment, except in respect of Notes represented in global form by a global certificate deposited with, and registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV and/or Clearstream, Luxembourg, société anonyme in which case it means the close of business on the Clearing System Business Day immediately prior to the due date for the relevant payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.”*

- (g) *Condition 10 (Events of Default) shall be amended as follows:*

- (i) *The paragraph below the event (j) shall be deleted in its entirety and replaced with the following:*

*“then, any Note may, by notice in writing to the Fiscal Agent at its specified office by (i) the Commissioner acting upon a Resolution of Noteholders, in respect of all Notes, or (ii) unless there has been a resolution to the contrary by the Syndicate of Noteholders, any Noteholder in respect of such Note, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest, without further formality.”*

- (h) *Condition 11 (Undertakings) shall be amended as follows:*



- (i) *The word “and” shall be added after “,” on undertaking (j).*
  - (ii) *The word “and” shall be replaced with “.” on undertaking (k).*
  - (iii) *The undertaking (l) shall be deleted in its entirety.*
- (i) *The reference to “Status and Subordination of the Notes” in the first paragraph of Condition 19 (Governing Law and Jurisdiction) shall be replaced with reference to “Status of the Notes”.*

Purely for the purposes of information and clarification, a translation into Spanish of the aforementioned modifications is set out below (the English version prevailing over the Spanish version in the event of any discrepancy):

- (a) *La Condición 1(c) (Naturaleza de los Bonos y Subordinación) se suprime en su totalidad y se sustituye por el siguiente tenor literal:*

*“Naturaleza de los Bonos*

*Los Bonos constituyen obligaciones directas y (con sujeción a la Cláusula 2 (Ausencia de Pignoración)) no garantizadas (créditos ordinarios) del Emisor y con un rango de prelación pari passu y a pro-rata, sin preferencia alguna entre ellos y deberán tener un rango al menos similar a las demás obligaciones presentes y futuras no garantizadas y no subordinadas del Emisor, excepto por dichas obligaciones que puedan tener preferencia según lo dispuesto en las leyes de naturaleza imperativa y de aplicación general.”*

- (b) *La Condición 3 (Definiciones) será modificada como sigue:*

- (i) *La definición de “Fecha de Vencimiento Final” se suprime en su totalidad y se sustituye por el siguiente tenor literal:*

*““Fecha de Vencimiento Final” se entenderá 30 de octubre de 2020.”*

- (ii) *Las definiciones “Fecha de Amortización Voluntaria”, “Notificación de Amortización Voluntaria” y “Precio de Amortización Voluntaria” se añaden con el siguiente tenor literal:*

*““Fecha de Amortización Voluntaria” se entenderá el significado establecido en la Cláusula 7(e).*

*“Notificación de Amortización Voluntaria” se entenderá el significado establecido en la Cláusula 7(e).*

*“Precio de Amortización Voluntaria” se entenderá el significado establecido en la Cláusula 7(e).”*

- (iii) *Las definiciones de “Acreedores Preferentes”, “Contrato de Financiación Preferente”, “Pasivos Preferentes” y “Fecha de Finalización de la Subordinación” se suprimen en su totalidad.*

- (c) *La Condición 4(d) (Períodos Cerrados) se suprime en su totalidad y se sustituye por el siguiente tenor literal:*

*“Períodos Cerrados*

*No se exigirá al Emisor ni al Registrador que registren la transmisión de cualquier Bono (o parte de la misma) (a) durante el período de 7 (siete) días inmediatamente anteriores a la*



*Fecha de Vencimiento Final o cualquier fecha anterior fijada para la amortización de los Bonos en virtud de la Cláusula 7(e); (b) con respecto al cual se hubiere entregado una Notificación de Conversión en virtud de la Cláusula 6(g) o en la cual debería haberse entregado la Notificación de Derecho de Conversión del Emisor en virtud de la Cláusula 6(a)(ii); o (c) con respecto al cual un titular hubiere ejercido su derecho de solicitar el rescate en virtud de la Cláusula 7(b); o (d) durante el período de 7 (siete) días que termine en (e incluyendo) cualquier Fecha de Inscripción (según se defina en la Cláusula 8(c)) con respecto a cualquier pago de intereses por los Bonos.”*

(d) La Condición 6 (Conversión de los Bonos) será modificada como sigue:

(i) *El tercer párrafo de la Condición 6(a)(i) (Ejercicio de los Derechos de Conversión por los Bonistas) se suprime en su totalidad y se sustituye por el siguiente tenor literal:*

*“El Precio de Conversión es de 30,00 euros por Acción Ordinaria. Basándose en el Precio de Conversión inicial, cada importe nominal de 50.000 euros de Bonos daría derecho al titular a percibir (con sujeción a lo dispuesto en las presentes Condiciones) 1.666,66 Acciones Ordinarias. El Precio de Conversión está sujeto a ajustes en las circunstancias descritas en la Cláusula 6(b).”*

(ii) *El quinto párrafo de las Condiciones 6(a)(i) (Ejercicio de los Derechos de Conversión por los Bonistas) se suprime en su totalidad y se sustituye por el siguiente tenor literal:*

*“Con sujeción a lo previsto en las presentes Condiciones, el Derecho de Conversión con respecto a un Bono puede ejercerse, a elección de su titular, en cualquier momento (con sujeción a cualquier ley o reglamento fiscal o de otro tipo aplicable y según se establece a continuación) desde el 15 de diciembre de 2009 (la “**Fecha de Comienzo de la Conversión**”) (i) hasta el final del día laborable (close of business) inclusive (en el lugar donde tenga que entregarse el Bono correspondiente para su conversión) igual a la fecha que caiga 7 (siete) Días de Negociación antes de la Fecha de Vencimiento Final (ambos días inclusive), o (ii) si los Bonos hubieran sido amortizados conforme a la Cláusula 7(e) antes de la Fecha de Vencimiento Final, a partir de (e incluyendo) el final del día laborable (close of business) (en el mencionado lugar) igual a la fecha que caiga 7 (siete) días de negociación antes de la Fecha de Amortización Voluntaria o, (iii) si el Emisor ejerciera el Derecho de Conversión del Emisor en virtud de la Cláusula 6(a) (ii), entonces hasta el final del día laborable (close of business) del sexto Día de Negociación anterior al último día posible para que el Periodo de Acuerdo de Conversión del Emisor (según se define en la Cláusula 6(a)(ii) pueda finalizar; en cada caso salvo que se produjese un impago con respecto a dicho Bono en la fecha fijada para el rescate, en cuyo caso el Derecho de Conversión se ampliará hasta el final del día laborable (close of business) (en el mencionado lugar) en que resulte la fecha en que el importe total de dicho pago pasase a estar disponible y se hubiese entregado debidamente una notificación de dicha disponibilidad de conformidad con la Cláusula 15 o, si fuere antes, la Fecha de Vencimiento Final; teniendo en cuenta que, en cada caso, si dicha fecha final para el ejercicio de los Derechos de Conversión no fuere un día laborable en el respectivo lugar, entonces el período para el ejercicio del Derecho de Conversión por los Bonistas terminará en el día laborable inmediatamente anterior en dicho lugar.”*

(iii) *El sexto párrafo de la Condición 6(a)(i) (Ejercicio de los Derechos de Conversión por los Bonistas) se suprime en su totalidad y se sustituye por el siguiente tenor literal:*

“Sin perjuicio de que lo establecido en el párrafo anterior de esta Cláusula 6(a)(i), los Derechos de Conversión no pueden ejercerse (a) con respecto a un Bono sobre el cual el titular pertinente hubiere (i) entregado una notificación en virtud de la Cláusula 10, o (ii) ejercido su el derecho a solicitar al Emisor el rescate en virtud de la Cláusula 7(b), o (b) cuando el Comisario, actuando conforme a un Acuerdo del Sindicato de Bonistas, haya realizado la notificación, con respecto a todos los Bonos, en virtud de la Cláusula 10.”

- (iv) La definición de “Importe Umbral” de la Condición 6(b)(v) (Distribuciones Extraordinarias) será modificada para añadir las siguientes seis filas:

En el Ejercicio Fiscal Pertinente cerrado a:	Importe Umbral (euros)
31 de diciembre de 2015	1,20
31 de diciembre de 2016	1,20
31 de diciembre de 2017	1,20
31 de diciembre de 2018	1,20
31 de diciembre de 2019	1,20
31 de diciembre de 2020	1,20

- (v) El octavo párrafo de la Condición 6(g) (Procedimiento para ejercer los Derechos de Conversión) se suprime y se sustituye por el siguiente tenor literal:

“Sin perjuicio de lo establecido en el párrafo anterior, (a) en el caso de las Notificaciones de Conversión entregadas cuya Fecha de Conversión sea cualquier fecha durante diciembre de 2009 o enero de 2010, el Emisor actuará sobre dicha Notificación de Conversión en el décimo día de febrero de 2010 o, si dicho día no es un día hábil en Madrid/Barcelona, el siguiente día hábil en Madrid/Barcelona, y (b) en el caso de las Notificaciones de Conversión entregadas cuya Fecha de Conversión caiga después del séptimo día hábil en Madrid/Barcelona anterior al primer día del mes en el cual (o, si dicho día no es un día hábil en Madrid/Barcelona, el siguiente día hábil en Madrid/Barcelona) la Fecha de Vencimiento Final o la Fecha de Amortización Voluntaria caiga o del último día del Período del Acontecimiento Determinante (según los casos), el Emisor emitirá la referida Notificación de Conversión no más tarde del día hábil en Madrid/Barcelona anterior a la Fecha de Vencimiento Final o la Fecha de Amortización Voluntaria o el último día del Período del Acontecimiento Determinante (según los casos).”

- (vi) La Condición 6(k) (Interés de Conversión) se añade con el siguiente tenor literal:

“(k) Interés de Conversión

Si se produce una notificación requiriendo la amortización de los Bonos en virtud de la Cláusula 7(e) en o después del decimoquinto día hábil en Madrid/Barcelona anterior a la Fecha Límite siguiente a la última Fecha de Pago de Intereses con respecto a cualquier Distribución o dividendo pagadero en relación con las Acciones Ordinarias cuando dicha notificación especifique una fecha para la amortización que caiga en o antes de 14 (catorce)

días después de la siguiente Fecha de Pago de Intereses tras dicha Fecha Límite, el interés se devengará al tipo recogido en la Cláusula 5(a) en los Bonos respecto a los cuales, se hubieran debido ejercitar Derechos de Conversión y en relación con los cuales la Fecha de Conversión caiga después de dicha Fecha Límite y en o antes de la Fecha de Pago de Intereses posterior a dicha Fecha Límite con respecto a dicha Distribución o dividendo, en cada caso en (e incluyendo) la Fecha de Pago de Intereses anterior, hasta (pero excluyendo) dicha Fecha de Conversión. El Emisor pagará cualquier interés no más tarde de 14 (catorce) días desde la correspondiente Fecha de Conversión por transferencia a una cuenta en euros en un banco de una ciudad en la que los bancos tengan acceso al Sistema TARGET de acuerdo con las instrucciones dadas por los Bonistas en la correspondiente Notificación de Conversión.”

(e) La Condición 7 (Amortización, adquisición y protección frente a Acontecimientos Determinantes) será modificada como sigue:

(i) La Condición 7(a) (Amortización Final) se suprime en su totalidad y se sustituye por el siguiente tenor literal:

“Amortización Final

A no ser que se hubiesen adquirido y cancelado, amortizado o convertido previamente según lo dispuesto en el presente documento, los Bonos se amortizarán por su principal en la Fecha de Vencimiento Final. Los Bonos solo podrán ser amortizados voluntariamente por el Emisor antes de la Fecha de Vencimiento Final en virtud de lo previsto en la Cláusula 7(e).”

(ii) El primer párrafo de la Condición 7(b) (Amortización voluntaria de los Bonistas después de un Acontecimiento Determinante) se suprime en su totalidad y se sustituye por el siguiente tenor literal:

“Si se produce un Acontecimiento Determinante, todos los Bonistas tendrán derecho a exigir al Emisor la amortización de los Bonos en la Fecha de Amortización Voluntaria al Precio de Ejercicio de la Opción de Amortización, junto con los intereses devengados hasta la Fecha de la Opción de Amortización exclusiva.”

(iii) La Condición 7(e) (Amortización voluntaria del Emisor) se añade con el siguiente tenor literal:

“(e) Amortización voluntaria del Emisor

El Emisor podrá, en cualquier momento en o después de 30 de octubre de 2018, y habiendo notificado con no menos de 15 (quince) y no más de 20 (veinte) días de antelación (la “**Notificación de Amortización Voluntaria**”) a los Bonistas, amortizar la totalidad, y no parte de los Bonos en la fecha (la “**Fecha de Amortización Voluntaria**”) especificada en la Notificación de Amortización Voluntaria por el principal junto con los intereses acumulados e impagados desde (pero excluyendo) la fecha fijada para la amortización (el “**Precio de Amortización Voluntaria**”).

La Notificación de Amortización Voluntaria será irrevocable. Cualquier notificación deberá incluir (i) la Fecha de Amortización Voluntaria, el Precio de Amortización Voluntaria y la Fecha Límite aplicable, (ii) el Precio de Conversión, el importe principal total de los Bonos que permanezcan en circulación y el Precio de Cierre, en cada caso la última fecha posible antes

de la publicación de la Notificación de la Amortización Voluntaria, y (iii) el último día en que los Derechos de Conversión pueden ser ejercitados por los Bonistas.”

Por lo tanto, el orden alfabético de las secciones siguientes se ajustará según sea apropiado y en consecuencia 7(e), 7(f) and 7(g) serán modificados, respectivamente por 7(f), 7(g) y 7(h).

- (iv) La Condición 7(f) (Adquisición) se suprime en su totalidad y se sustituye por el siguiente tenor literal:

“Adquisición

*Sin perjuicio de los requisitos (si existieran) de cualquier mercado de valores en los que los Bonos puedan admitirse a cotización y negociación en el momento oportuno y siempre que se cumplan las leyes y reglamentos aplicables, el Emisor o cualquier Filial Relevante del Emisor puede comprar Bonos en cualquier momento en el mercado libre o por cualquier otra práctica. Dichos Bonos deberán entregarse al Agente Fiscal para su cancelación.”*

- (f) La Condición 8(c) (Fecha Límite) se suprime en su totalidad y se sustituye por el siguiente tenor literal:

“Fecha Límite

**Fecha Límite** significa el séptimo día hábil, en el lugar de la oficina especificada del Registrador, antes de la fecha de vencimiento del pago pertinente, excepto con respecto a aquellos Bonos representados de forma global por un certificado global depositado en, y registrado en el nombre de un representante de, un depositario común para Euroclear Bank SA/NV y/o en Clearstream, Luxemburgo, société anonyme en cuyo caso significa el final del día hábil (close of business) en el Clearing System inmediatamente anterior a la fecha del pago, siendo los días hábiles en el Clearing System de lunes a viernes inclusive, excepto el 25 de diciembre y el 1 de enero.”

- (g) La Condición 10 (Supuestos de Incumplimiento) será modificada como sigue:

- (i) El párrafo siguiente al supuesto (j) se suprime en su totalidad y se sustituye por el siguiente tenor literal:

*“entonces, cualquier Bono podrá ser declarado líquido, vencido y exigible de forma inmediata, con lo cual tanto el importe de principal como los intereses devengados se declararían líquidos, vencidos y exigibles, sin necesidad de ninguna otra formalidad, mediante notificación por escrito al Agente Fiscal a su domicilio correspondiente hecha por (i) el Comisario actuando como consecuencia de una resolución de los bonistas, en relación con todos los Bonos, o (ii) por cualquier Bonista en relación con dicho Bono, a menos que haya habido un acuerdo en contra emitido por el Sindicato de Bonistas.”*

- (h) La Condición 11 (Compromisos) será modificada como sigue:

- (ii) La palabra “y” se añade tras “;” en el compromiso (j).  
(iii) La palabra “y” se sustituye por “.” en el compromiso (k).  
(iv) El compromiso (l) se suprime en su totalidad.



- (i) *La referencia a “Naturaleza de los Bonos y Subordinación” en el primer párrafo de la Condición 19 (Ley aplicable y jurisdicción) será reemplazada por una referencia a “Naturaleza de los Bonos”.*

The modification to the Terms and Conditions (the "**Modified Terms and Conditions**") on the terms set out above will be submitted for approval before the General Assembly of Noteholders, scheduled to be held at the first call on 5 May 2014 or subsequently (at the second call) if the required quorum is not met at the first call, namely 2/3 of the full amount of the Notes.

## **II. EXCLUSION OF THE PREFERENTIAL RIGHT OF SUBSCRIPTION**

It is resolved to exclude the preferential right of subscription, as approval of the modification to the Terms and Conditions requires, and which would otherwise be enjoyed by the shareholders of the Company with regard to the Notes pursuant to Article 416 of the Capital Companies Act (the "**Act**"). Cancellation of the preferential right of subscription of the shareholders of the Company has been duly justified in accordance with the demands of the corporate interest and the reasons set out by the directors in the corresponding report made available to the shareholders from the point at which this General Shareholders' Meeting was called. Furthermore, the accuracy of the contents of the directors' report is corroborated by a report issued by an accounts auditors other than that of the Company, appointed by the Companies Register, and likewise made available to the shareholders from the point at which this General Shareholders' Meeting was called.

## **III. CAPITAL INCREASE REQUIRED IN ORDER TO COVER THE CONVERSION OF THE NOTES**

Pursuant to the terms of Article 414 of the Act, it is resolved to increase the capital stock of the Company by the amount required in order to cover the conversion of any Notes so requested by the holders thereof in accordance with the Modified Terms and Conditions of the Notes, up to an initially expected maximum of 15,000,000 euros, corresponding to 15,000,000 new shares, although subject to possible modifications in accordance with the terms of the Modified Terms and Conditions.

Said capital increase will be executed in whole or in part by the Board of Directors, with express powers to delegate any of its members, on any occasion required in order to honour the conversion of the Notes, through the issuance of new ordinary shares of the same par value and vested with the same rights as the ordinary shares in circulation on the date or dates of execution of the corresponding capital increase resolution. On each occasion that the Board of Directors, in the manner indicated, executes this resolution, this will serve to revise the text of the article of the Corporate Bylaws regarding the capital stock. The number of newly issued ordinary shares which will as applicable be issued if a conversion right is exercised will be established by dividing the par value of the corresponding Note or Notes by the conversion price in force on the relevant conversion date. Pursuant to the terms of Article 304 of the Act, no preferential right of subscription will be enjoyed by the shareholders of the Company in capital increases resulting from the conversion of Notes into shares.

Admittance for trading of the New Shares issued will furthermore be requested on those secondary markets on which the ordinary shares of the Company are currently listed (at present the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and through the Continuous Market), subject to any regulations which may exist or may be issued in this regard, in particular regarding contracting, permanence and exclusion from official listing. The Board of Directors and the Executive Committee are empowered, with powers of delegation on any of the members of the Board of Directors, in order that any of them might jointly and severally perform the corresponding applications, draw up and



submit all relevant documents, under the terms deemed appropriate, and undertake all acts required for this purpose.

#### **IV. CONDITIONS FOR THE MODIFICATION OF THE TERMS AND CONDITIONS**

The effectiveness of the resolution to modify the Terms and Conditions of the Issue and to increase the capital is dependent on the Refinancing Agreement first having taken effect, the Assembly having approved the modification to the Terms and Conditions of the Issue, and said modifications furthermore being registered with the Companies Register of Barcelona.

#### **V. REPORTS AND MODIFIED TERMS AND CONDITIONS**

Approval of this resolution was performed on the basis of the corresponding proposed resolution, which had first been made available to the shareholders of the Company from the point at which the General Shareholders' Meeting was called, and also, for the purposes provided in Articles 286, 414 and 417 of the Capital Companies Act, the justification report issued by the Board of Directors, and the required report from an accounts auditor other than that of the Company, appointed the Companies Register.

#### **VI. DELEGATION OF POWERS**

Notwithstanding the specific delegations of powers contained in the above subsections, the Board of Directors is empowered, to the full extent required in Law and with express powers of subsequent delegation on the Executive Committee and on any members of the Board of Directors, in order that any of them might, jointly and severally, execute this resolution, enjoying in particular powers which would by way of example include, without being confined to, the following:

- (i) Perform all actions required and approve and formalise all public or private instruments necessary or desirable for the full effectiveness of the resolutions passed by the General Shareholders' Meeting in any of the aspects and contents thereof, and in particular to rectify, clarify, interpret, supplement, nuance or specify, as applicable, any errors noted in the verbal or written classification by the Companies Register, the National Securities Market Commission, or any other national or foreign official registers, all to the fullest possible extent.
- (ii) Execute on one or more occasions the capital increases required for conversion of the Notes, issuing up to the maximum agreed the new shares required, as a result modifying Article 5 of the Corporate Bylaws regarding the capital stock. Indicate the date when said resolutions are to be implemented having been passed, and also release the shares representing the agreed increases. Request admittance for trading of the shares issued as a result of the exercise of the Note conversion rights on the national or foreign stock markets on which FCC shares are currently traded, subject to the applicable regulations.

Unless otherwise established, the terms and definitions with capital letters included in this proposal will have the meaning given to them in the report by the Board of Directors on the modification to the Note Terms and Conditions.

#### **8. Vest extensive powers in the directors for the development, recording in a public instrument, registration, rectification and execution of the resolutions passed.**

The following is proposed: "Empower all members of the Board of Directors of the Company, and also the Secretary and the Vice-Secretary of the Board, to the fullest possible extent, in order that any one of them might jointly and severally record resolutions passed at the General Meeting in a



public instrument, with powers to amend, rectify or interpret the text thereof in accordance with the verbal or written classification of the Companies Register, and for the sole purposes of registration thereof therein. Said authorisation likewise extends to execution of all manner of public or private documents required for the execution, development and formalisation of all resolutions passed by the General Meeting, subject to no form of limitation".

9. **Approval, if given, of the minutes of the General Meeting, in any of the forms established in Article 202 of the Capital Companies Act or, where relevant, application of the terms of Article 203 of the same Act.**

Although it is proposed that the minutes of the General Meeting be approved in any of the forms established in Article 202 of the Capital Companies Act, the shareholders are informed that the Board of Directors intends to call upon a Notary to be present to draw up the corresponding minutes.