



**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.**

**Full text of the resolutions of the Ordinary General Meeting on 27 May 2010**

**1. Examination and approval of the financial statements and directors' reports of Fomento de Construcciones y Contratas, S.A. and its consolidated group for 2009, as well as the Board of Directors' conduct of business in that year. (Item 1 of the Agenda)**

To approve the financial statements and the directors' report of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. and its consolidated group for 2009. Those documents have obtained a favourable report from the Audit and Control Committee and were audited by the Company's auditors."

To approve the Board of Directors' conduct of the company's business in 2009.

**2. Examination and approval of the proposed distribution of 2009 income.(Item 2 of the Agenda)**

To approve the following proposal by the Board of Directors as to the application of the 2009 income of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., which amounts to a profit of 254,878,152.27 euro:

- At a meeting on 17 December 2009, the Board of Directors declared an interim dividend out of 2009 income amounting to 0.715 euro gross per share with dividend rights at the time of payment. There were 124,120,714 such shares; consequently, the total interim dividend distributed amounted to 88,746,310.51 euro.
- now to pay a supplementary dividend of 0.715 euro per share with dividend rights at the time of payment.

From the foregoing amount, an amount of 0.13585 euro per share (19% of the gross amount of the supplementary dividend) will be withheld on account of personal or corporate income tax, as appropriate, leading to a net supplementary dividend of 0.57915 euro per share.

- The amount obtained by subtracting the interim dividend and the aforementioned supplementary dividend from total income will be appropriated to voluntary reserves.

The supplementary dividend will be paid on 7 June next through the following banks: Banco Bilbao Vizcaya Argentaria (BBVA), Banco Santander (BS), Caja de Ahorros y Monte de Piedad de Madrid (Cajamadrid), Caja de Ahorros y Pensiones de Barcelona (La Caixa) and RB Dexia (Bancoval).

Additionally, in accordance with article 37 of the Articles of Incorporation, and following a favourable report by the Appointments and Remuneration Committee, to approve the remuneration for the Company's Board of Directors for 2009, which amounts to 2,039,779 euro, equivalent to 0.66% of consolidated income attributable to Fomento de

Construcciones y Contratas, S.A."

### **3. Appointment and re-appointment of directors (Item 3 of the Agenda)**

#### **3.1 Re-appointment of directors**

In anticipation of the forthcoming expiration of the term for which the directors were appointed, since they were appointed for a five-year term by the Shareholders' Meeting on 21 June 2005, to re-appoint the directors listed in sections Three A through Three J, both inclusive:

#### **Three A: Reappointment of DOMINUM DIRECCIÓN Y GESTIÓN, S.A. as proprietary director.**

To re-appoint DOMINUM DIRECCIÓN Y GESTIÓN, S.A. as a proprietary member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

#### **Three B: Re-appointment of CARTERA DEVA, S.A. as proprietary director.**

To re-appoint CARTERA DEVA, S.A. as a proprietary member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years"

#### **Three C: Re-appointment of LARRANZA XXI, S.L. as proprietary director.**

To re-appoint LARRANZA XXI, S.L. as a proprietary member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

#### **Three D: Re-appointment of MR ROBERT PEUGEOT as proprietary director.**

To re-appoint MR ROBERT PEUGEOT as a proprietary member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

#### **Three E: Re-appointment of MR FERNANDO FALCÓ Y FERNÁNDEZ DE CÓRDOVA as proprietary director.**

To re-appoint MR FERNANDO FALCÓ Y FERNÁNDEZ DE CÓRDOVA as a proprietary member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

#### **Three F: Re-appointment of MR MARCELINO OREJA AGUIRRE as proprietary director.**

To re-appoint MR MARCELINO OREJA AGUIRRE as a proprietary member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

#### **Three G: Re-appointment of MR JUAN CASTELLS MASANA as proprietary director.**

To re-appoint MR JUAN CASTELLS MASANA as a proprietary member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

**Three H: Re-appointment of MR ANTONIO PÉREZ COLMENERO as proprietary director.**

To re-appoint MR ANTONIO PÉREZ COLMENERO as a proprietary member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

**Three I: Re-appointment of MR GONZALO ANES ALVAREZ DE CASTRILLÓN as independent director.**

To re-appoint MR GONZALO ANES ALVAREZ DE CASTRILLÓN as a proprietary member of the Board of Directors, at the proposal of the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

**Three J: Re-appointment of MR FELIPE BERNABÉ GARCÍA PEREZ as executive director.**

To re-appoint MR FELIPE BERNABÉ GARCÍA PEREZ as an executive member of the Board of Directors, based on a favourable report by the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

**3.2 Appointment of directors.**

**Three K: Appointment of MR JAVIER RIBAS as independent director.**

To appoint MR JAVIER RIBAS as an independent member of the Board of Directors, at the proposal of the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years

Mr Javier Ribas was appointed to the Board by co-optation at the Board of Directors meeting on 27 January 2010; consequently, his term expires on the date of the Ordinary Meeting now convened.

**Three L: Appointment of MR HENRI PROGLIO as independent director.**

To appoint MR HENRI PROGLIO as an independent member of the Board of Directors, at the proposal of the Appointments and Remuneration Committee, effective from the date of this General Meeting and for a term of five years.

**Each paragraph (A, B, C, D, E, F, G, H, I, J, K and L) was voted on separately.**

**4. Extension of the period granted to the Board of Directors by the General Meeting of Shareholders of 10 June 2009 to execute the resolution to reduce capital through amortisation of own shares that was adopted by that General Meeting. (Item 4 of the Agenda)**

To extend, for one year from the date of this decision, the power granted to the Board of Directors by the Ordinary General Meeting of Shareholders of 10 June 2009, under item Seven.2 of the Agenda, to execute the resolution to reduce capital by 3,182,582 euro through amortisation of 3,182,582 own shares that was adopted by that General Meeting. The Board of Directors must inform the next General Meeting of any use which it makes of this power.

**5. Renew authorisation to the Board of Directors, with the power to sub-delegate, to increase capital at one or more times in accordance with article 153.1.b) of Public Limited Companies Act and subject to the limits envisioned in that article.(Item 5 of the Agenda)**

To renew the delegation to the Board of Directors of the power to increase the Company's capital on one or more occasions by at most 50% of the subscribed and paid-up capital on the date of this authorisation, i.e. the amount of SIXTY-THREE MILLION SIX HUNDRED AND FIFTY-ONE THOUSAND SIX HUNDRED AND FORTY-EIGHT EURO (€63,651,648).

Any capital increase decided upon must be carried out within at most five years from this date.

Such capital increase(s) may be implemented, with or without a share premium, either by increasing the par value of existing shares, subject to the requirements of the law, or by issuing new shares, common or preferred, with or without voting rights, or redeemable shares or any other permitted by Law, or several forms at the same time, the consideration for the new shares or the increase in the par value of existing shares being a monetary contribution, including the conversion of unrestricted reserves, it being possible to use both systems simultaneously provided that this is allowed by law.

The Board of Directors will have the power, by virtue of this delegation, to establish that, in the event of incomplete subscription, the capital will be increased only in the amount of the actual subscriptions, and to amend the article of the Articles of Incorporation concerning capital, once the increase has been agreed upon and implemented.

The amount available at any time within the aforementioned maximum amount will be considered to include the amount of any capital increases which are undertaken by the Board of Directors in order to cater for the conversion of bonds in exercise of the powers granted by the Company's General Meeting.

The Board of Directors is also hereby empowered to apply for listing of any new securities that may be issued on any Stock Exchange or regulated market, whether domestic or foreign, in the terms of the applicable legislation.

The Board of Directors is likewise empowered to delegate the powers conferred to it by virtue of this resolution to the Executive Commission.

Resolution six of the Ordinary General Meeting on 21 June 2005 (item 7 of the agenda) is also revoked in the amount not used by the Board prior to the date of adoption of this resolution.

**6. Delegate to the Board of Directors, with express powers to sub-delegate, the power to issue on one or more occasions any fixed-income securities or debt instruments of a similar nature, secured or unsecured, amounting to at most five hundred million euro (€500,000,000). (Item 6 of the Agenda)**

To delegate to the Board of Directors the power to issue, on one or more occasions, any fixed-income securities or debt instruments of a similar nature, secured or unsecured, in the following terms:

1. Securities to be issued. The securities referred to by this delegation may be debentures, bonds and other fixed-income securities or debt instruments of a similar nature, secured or unsecured, in any form permitted by law, including, without limitation, covered bonds, commercial paper, preference shares or similar securities.

2. Period. The securities may be issued at one or more times and at any time within a maximum period of five (5) years from the date of adoption of this resolution.

3. Maximum amount of the delegation. The maximum amount of securities to be issued under this delegation will be five hundred million euro (€500,000,000) or its equivalent in another currency.

The outstanding balance of securities issued under the delegation will be counted for the purpose of the foregoing limit. Securities issued under the delegation contained in Decision Seven below will not count for these purposes.

It is hereby placed on record that, pursuant to article 111 bis of the Securities Market Act (Act 24/1988, of 28 July), the limit on the issuance of bonds and other debt securities established in article 282.1 of the Public Limited Companies Act does not apply in this case.

4. Scope of the delegation. The delegation under this decision will extend, as broadly as may be required by law, to the establishment of the specific features and characteristics of each issue. In particular, the powers of the Company's Board of Directors with respect to each issue include, but are not limited to, determining: the amount, within the aforementioned overall quantitative limits; the place of issuance (in Spain or elsewhere), the currency and, if in another country, the equivalent in euro; the name, i.e. bonds, debentures or any other name allowed by law; the date or dates of issue; the yield, and coupon dates and payment procedures; whether the securities are perpetual or amortisable and, in the latter case, the amortisation period and maturity date; the redemption rate, premiums and batches, and collateral, including mortgage collateral; the form of representation, whether by certificates or book entries; whether or not the issued securities are subordinated; the number of securities and their nominal value; the applicable legislation, whether of Spain or another country; whether to apply for listing in official or unofficial secondary markets, whether organised or otherwise, Spanish or otherwise, of the securities that are issued, subject to the requirements imposed by the applicable legislation in each case; and generally any other condition of the issue, as well as the appointment, if appropriate, of the head of the bondholders' syndicate, and approval of the basic rules governing legal relations between the Company and such syndicate, if created.

The delegation also empowers the Board of Directors to decide on the conditions of amortisation of the securities issued under this authorisation, and any of the methods provided for this purpose in the Public Limited Companies Act may be used. The Board of Directors is also empowered so that it may amend the terms and conditions of such securities, when it sees fit, and subject to obtaining any necessary authorisations and, where appropriate, the consent of the general meetings of the bondholders' syndicates for the securities issued under this authorisation.

5. Listing. Where appropriate, the Company will apply for listing on official and unofficial secondary markets, whether organized or not, domestic or foreign, of the securities issued by virtue of this delegation, and the Board of Directors is empowered to carry out such procedures and actions as may be necessary for listing before the competent authorities of the domestic or foreign securities markets.

6. Guarantee of fixed-income securities issued by group companies. The Company's Board of Directors is also empowered to guarantee, on the Company's behalf, within the foregoing limits, new issues of securities made by companies in its group during the period of validity of this decision.

7. Powers to sub-delegate and empower. The Board of Directors is empowered to delegate the powers conferred on it by virtue of this resolution to the Executive Commission, and to grant any necessary powers to make use of the powers so granted.

7. **Delegate to the Board of Directors, with express powers to sub-delegate, the power to issue on one or more occasions any fixed-income securities or debt instruments of a similar nature which are convertible into, or give entitlement to subscribe for, Company shares or which are exchangeable or give entitlement to acquire shares of the Company or of other companies, amounting to at most three hundred million euro (€300,000,000).**

**Delegate, with express powers to sub-delegate, the power to set criteria to determine the conditions and forms of conversion or the entitlement to subscribe shares of the Company, the power to increase capital in the amount necessary, and the power to override shareholders' pre-emptive subscription rights in accordance with provisions in article 293.3 of Public Limited Companies Act and other applicable regulations.**

**For the event that this power to issue securities is exercised, to approve a share buyback programme whose goal is to enable the Company to meet its obligations**

**arising from having issued securities that give entitlement to acquire outstanding shares of the Company, or for the amortisation of shares in the event that securities are issued, while overriding the pre-emptive subscription rights, which are convertible or give entitlement to subscribe newly-issued shares, with a view to limiting dilution of existing shareholders in the event of conversion or subscription of shares.**

**For the event that this power to issue securities is exercised, to approve the reduction of the Company's capital by the amortisation of own shares by an amount equivalent to at most the combined nominal value of the new shares of the Company that are issued to cater for requests for conversion or subscription by the holders of securities of these characteristics that were issued overriding the pre-emptive subscription rights. To delegate powers to execute this resolution to the Board of Directors, including powers to sub-delegate. (Item 7 of the Agenda)**

In accordance with the directors' report, which has been at the shareholders' disposal since notice was given of the Meeting of Shareholders:

- A. To grant powers to issue fixed-income securities or analogous debt instruments that are exchangeable, convertible or similar.

Delegate to the Company's Board of Directors the power to issue on one or more occasions any fixed-income securities or debt instruments of a similar nature which are convertible or give entitlement to subscribe Company shares or which are exchangeable or give entitlement to acquire shares of the Company or of other companies, in the following conditions:

1. Securities to be issued. The securities to which this delegation refers may be debentures, bonds and other fixed-income securities or debt instruments of a similar nature, in any form permitted by law, including but not limited to, covered bonds, commercial paper, preference shares, warrants or similar securities that directly or indirectly give entitlement to acquire outstanding shares of the Company or of other companies inside or outside the Company's group, which can be settled by physical delivery or by differences. This delegation also applies to fixed-income securities and warrants that are convertible into, or give entitlement to subscribe for, newly-issued shares of the Company. Nevertheless, where the Board of Directors makes use of this power in connection with securities that are convertible or give entitlement to subscribe for newly-issued shares of the Company, overriding the pre-emptive right, it must execute the share buyback and capital reduction programme set out below in section B of this resolution, in the terms and conditions stipulated there.

2. Period. The securities may be issued at one or more times and at any time within a maximum period of five (5) years from the date of adoption of this resolution.

3. Maximum amount of the delegation. The maximum amount of securities to be issued under this delegation will be three hundred million euro (€300,000,000) or its equivalent in another currency.

For the purposes of calculating the foregoing limit, in the case of warrants, the sum of the premiums and strike price of each issue of warrants approved under this delegation will be taken into account. The outstanding balance of fixed-income securities issued under this delegation will be considered for the purposes of that limit. Securities issued under the delegation contained in Decision Six above will not count for these purposes.

It is hereby placed on record that, pursuant to article 111 bis of the Securities Market Act (Act 24/1988, of 28 July), the limit on the issuance of bonds and other debt securities established in article 282.1 of the Public Limited Companies Act does not apply in this case.

4. Scope of the delegation. The delegation under this decision will extend, as broadly as may be required by law, to the establishment of the specific features and characteristics of each issue. In particular, the powers of the Company's Board of Directors with respect to each issue include, but are not limited to, determining: the amount, within the aforementioned overall quantitative limits; the place of issuance (in Spain or elsewhere), the currency and, if in another country, the equivalent in euro; the name, i.e. bonds,

debentures or any other name allowed by law; the date or dates of issue; whether the securities are convertible or exchangeable, with the possibility of total or partial conversion or exchange, and, in the case of exchangeable securities, whether for pre-existing shares of any type of the Company or of other companies in or outside the Company's group, and whether conversion or exchange is mandatory or voluntary, and, in the latter case, whether at the election of the security-holder or of the Company, or whether it includes a call option or warrant on such shares; the yield, and coupon dates and payment procedures; whether the securities are perpetual or amortisable and, in the latter case, the amortisation period and maturity date; the redemption rate, premiums and batches, and collateral, including mortgage collateral; the form of representation, whether by certificates or book entries; whether or not the issued securities are subordinated; the number of securities and their nominal value; the applicable legislation, whether of Spain or another country; whether to apply for listing in official or unofficial secondary markets, whether organised or otherwise, Spanish or otherwise, of the securities that are issued, subject to the requirements imposed by the applicable legislation in each case; and generally any other condition of the issue, as well as the appointment, if appropriate, of the head of the bondholders' syndicate, and approval of the basic rules governing legal relations between the Company and such syndicate, if created.

The delegation also empowers the Board of Directors to decide on the conditions of amortisation of the securities issued under this authorisation, and any of the methods provided for this purpose in the Public Limited Companies Act may be used. The Board of Directors is also empowered so that it may amend the terms and conditions of such securities when it sees fit, and subject to obtaining any necessary authorisations and, where appropriate, the consent of the general meetings of the bondholders' syndicates for the securities issued under this authorisation.

5. Conversion terms and conditions. In the case of the issuance of fixed-income securities that are convertible into shares of the Company, in accordance with the preceding sections, to establish the following rules for setting the terms and conditions of conversion:

(i) The securities issued in accordance with this decision may be convertible, wholly or partly, into newly-issued shares of the Company, ordinary or of any other type, in accordance with a conversion rate that is fixed (determined or to be determined) or variable, the Board of Directors being empowered to determine whether conversion is mandatory or voluntary and, if voluntary, whether at the option of the holders or of the Company, with the frequency and during the time period that is established in the issuance decision, which may not be more than twenty (20) years from date of issuance.

(ii) For conversion purposes, fixed-income securities will be valued at their nominal amount, and may or may not include interest accrued and outstanding at the conversion date.

(iii) In the case of issues with fixed conversion rates, shares will be valued for conversion purposes at the fixed rate determined in the Board of Directors decision made by use of this delegation or at the rate to be determined on the date(s) indicated in the Board of Directors decision and, as appropriate, on the basis of the trading price in the Spanish Stock Exchanges in the period to be determined by the Board of Directors, at a discount or otherwise.

(iv) It is also possible to decide to issue convertible fixed-income securities with a variable conversion rate. In this case, the price of the shares for conversion purposes will be the arithmetic mean of the closing prices of the Company's shares on the Spanish Stock Exchanges in a period to be determined by the Board of Directors.

(v) The Board may establish that the Company reserves the right to choose, at any time, between conversion into newly-issued shares or exchange for existing shares of the Company, determining the nature of the shares to be delivered at the time of conversion or exchange, and that it may also choose to deliver a combination of newly-issued and existing shares, while always granting equal treatment to all holders of securities that convert on the same date. The Company may also choose to pay an amount in cash partly or wholly instead of its obligation to deliver shares.

(vi) On conversion, any fractions of shares to be delivered to the holder of the securities will be rounded down in the form to be determined by the Board of Directors and each holder may receive, if the Board of Directors so decides, any surplus resulting from rounding down in cash.

(vii) In no event may the value of the share, for the purposes of the conversion of securities into shares, be less than its par value. Additionally, in accordance with the provisions of article 292.3 of the Public Limited Companies Act, convertible fixed-income securities may not be issued for less than their nominal value nor converted into shares when the nominal value of the fixed-income securities is less than that of the shares.

(viii) When approving an issue of convertible securities within the scope of the authorisation from the Shareholders' Meeting, the Board of Directors must issue a report to elaborate upon and determine, in light of the criteria described above, the specific conditions and modes of conversion applicable to each issue, which must be accompanied by a report from an auditor other than the Company's auditor, as provided in article 292.2 of the Public Limited Companies Act.

6. Overriding the pre-emptive subscription right, and capital increase. The delegation to the Board of Directors that is envisaged here with respect to the issuance of fixed-income securities that are convertible into shares includes, but is not limited to, the following powers:

(i) The power as provided by article 159.2 of the Spanish Corporations Law for the Board of Directors to override, either fully or partially, the shareholders' pre-emptive subscription right when necessary to raise funds in the international markets, to use demand prospection techniques or when it is in the Company's interests in any other way. In any case, if the Board decides to override the pre-emptive subscription right in relation to a specific issue of convertible securities that it decides to make under this authorisation, it must, at the time of approving the issue and in accordance with the provisions Article 293.3 of the Public Limited Companies Act, issue a report detailing the specific reasons in connection with the Company's interests that justify the measure, which must be accompanied by a report by an auditor other than that of the Company, as referred to in that Article. Those reports will be made available to shareholders and disclosed to the first Shareholders' Meeting held after the issue decision is adopted.

(ii) In accordance with article 153.1.b) of the Public Limited Companies Act, the power to increase capital at one or more times in the amount needed to meet requests for conversion of convertible securities issued in accordance with this delegation. This power may only be exercised where those capital increases, plus any other capital increases that may be performed by the Board of Directors under other delegations to increase capital, do not exceed one-half of capital stock, as envisaged in article 153.1.b) of the Public Limited Companies Act, at the time of this authorisation. This authorisation to increase capital includes the power to issue and circulate, at one or more times, the shares necessary to cater for the conversion, as well as the power, in accordance with article 153.2 of the Public Limited Companies Act, to redraft the article in the Articles of Incorporation relating to the share capital figure and, if necessary, the power to cancel any part of that capital increase that is not necessary for the conversion into shares. In accordance with the provisions of article 159.4 of the Public Limited Companies Act, the Company's shareholders will not have pre-emptive subscription rights in the capital increases performed by the Board of Directors to cater for requests for conversion.

The Board of Directors is also hereby empowered to apply for listing of any new shares that may be issued on any Stock Exchange or regulated market, whether domestic or foreign, in the terms of the applicable legislation.

(iii) The power to elaborate upon and specify the rules and forms of conversion, taking into account the criteria set out in section 5 above and, in general and in the broadest terms, to determine such terms and conditions as may be necessary or advisable for the issue. At subsequent General Meetings of Shareholders, the Board of Directors must inform shareholders of any use which has been made up to that point of the powers to issue fixed-income securities convertible into shares of the Company.

7. Warrants: The rules set out in sections 5 and 6 above will apply, *mutatis mutandis*, to the issuance of warrants or similar securities which give direct or indirect entitlement to subscribe for newly-issued shares of the Company, and this delegation carries the broadest powers, with the same scope of the preceding paragraphs, to decide what is considered most appropriate in relation to that class of securities.

8. Listing of securities. Where appropriate, the Company will apply for listing on official and unofficial secondary markets, whether organized or otherwise, domestic or foreign, of the securities issued by virtue of this delegation, and the Board of Directors is empowered to carry out such procedures and actions as may be necessary before the



competent authorities of the domestic or foreign securities markets to attain listing.

9. Powers to sub-delegate and empower. The Board of Directors is empowered to delegate the powers conferred to it by virtue of this resolution to the Executive Commission, and to grant the pertinent powers for performance of the delegated functions.

Resolution ten of the Ordinary General Meeting on 18 June 2008 is hereby revoked in the amount not used by the Board prior to the date of adoption of this resolution.

## **B. Share buyback programme and capital reduction**

Under the provisions of Article 3 *et seq.* of Commission Regulation (EC) No 2273/2003 of 22 December, to approve a programme to repurchase shares of the Company whose sole purpose is (i) to meet obligations to deliver shares that arise from the issuance of securities giving entitlement to acquire outstanding shares, or to amortise them in order to limit the dilution of the pre-existing shareholders in case of issuance, while overriding the pre-emptive subscription right, of securities that are convertible into, or give entitlement to subscribe for, newly-issued shares, that may be adopted by the Board of Directors of the Company under the provisions of paragraph A above of this Decision for a maximum of three hundred million euro (€ 300,000,000) (the "Securities"), and (ii) to reduce the Company's capital by amortising the shares acquired by virtue of the programme or those already held as treasury stock (provided they are not already assigned to preceding share buyback programmes that have not been completed), which will be deemed to be subject to the terms and conditions of the programme approved by the General Meeting of Shareholders.

The Company is authorised so that, directly or via any of its subsidiaries, within a period of at most five years from the date of this Meeting of Shareholders, it may acquire, at any time and on as many occasions as it sees fit while executing the approved share buyback programme, shares of the Company by any means allowed by law, all in conformity with Article 75 and matching articles of the Consolidated Text of the Public Limited Companies Act.

It is also decided to approve the limits or requirements of such acquisitions, as follows:

- The par value of the shares acquired, added to those already held by the Company and its subsidiaries, may not at any time exceed the legal limits.
- The shares acquired must have been fully paid.
- The acquisition price may not be less than the par value nor more than 20 per cent higher than the market price.

The shares acquired under the buyback programme will be used by the Company to fulfil its obligations to deliver existing shares that arise from the issuance of the Securities or, as the case may be, to reduce the Company's capital so as to limit the dilution of pre-existing shareholders in the event of exercise of the power attached to the Securities to convert into or subscribe for newly-issued shares of the Company.

This decision does not eliminate or alter the terms and conditions of previous share buyback programmes approved by the Company or the corresponding authorisations for the acquisition of treasury shares in the market, which will remain in force. This share buyback programme is held to be compatible with the preceding programmes. Nevertheless, this programme may only be implemented insofar as it does not hinder the full execution of preceding share buyback programmes or, consequently, the achievement of the goals for which such programmes were approved.

It was also resolved to reduce capital through the amortisation of the corresponding number of own shares of the Company which have been acquired by virtue of the programme or those already held as treasury stock (provided they are not already assigned to preceding share buyback programmes as provided in the preceding sections) by a nominal amount equal to the par value of those shares in treasury stock, up to a maximum equivalent to the combined par value of the new shares of the Company to be issued in implementation of Section A above to cater for requests from the holders of the Securities to convert into, or subscribe for, new shares.

The capital reduction here approved will be effected by amortising the corresponding number of own shares of the Company and will be charged against voluntary reserves; a reserve for amortised capital will be appropriated for the par value of the amortised shares, which may only be used subject to the same requirements as for a capital reduction, by application of article 167.3 of the Consolidated Text of the Public Limited Companies Act.

Consequently, in accordance with the provisions of that article, the Company's creditors will not have the right of opposition provided by article 166 of the Consolidated Text of the Public Limited Companies Act as a result of the capital reduction that is approved.

The reduction will not entail the refund of contributions to shareholders as the amortised shares are owned by the company itself. Therefore, the purpose of the reduction will be to amortise own shares.

The capital reduction here decided will be performed at one or several times during the term of the Company's share buyback programme, immediately after each execution of the decision adopted by the Company to increase capital so as to fulfil the obligations arising from requests to convert into, or subscribe for, shares of the Company through the delivery of newly-issued shares.

This decision does not override or alter the terms or conditions of preceding capital reduction decisions adopted by the Company that are still in force.

It also resolved to delegate to the Board of Directors, with express powers to sub-delegate in the Executive Committee, to implement this resolution as regards both the share buyback programme and the capital reduction. The latter must be executed at one or several times during the term of the Company's share buyback programme, immediately after each execution of the decision adopted by the Company to increase capital so as to fulfil the obligations arising from exchange or subscription requests from holders of the Securities for the delivery of newly-issued shares, performing such proceedings, processes and authorisations as may be necessary or required by the Consolidated Public Limited Companies Act and other applicable legislation and, in particular, it is empowered so that, within the period and limits set out for such execution, it may establish the date(s) of the specific capital reduction(s) on the occasion of exercise of the power attaching to the Securities to convert into or subscribe for newly-issued shares, to state the amount of the reduction, in accordance with the terms approved above, and to amend Article 5 of the Articles of Incorporation to the new amount of capital; to request delisting of the amortised shares and, generally, to adopt such decisions as may be necessary for the purposes of such amortisation and the consequent capital reduction, designating the persons to participate in formalising them.

**8. Reappointment of auditors for the company and its consolidated group. (Item 8 of the Agenda)**

To re-appoint, as auditor of the Company and of its consolidated group for 2011, following a favourable report from the Audit and Control Committee, DELOITTE, S.L., with registered office in Madrid, Plaza Pablo Ruiz Picasso 1, registered in the Madrid Mercantile Register, volume 13,650, sheet 188, section 8, page M-54414, and registered in ROAC under no. S-0692 and with company tax number B79104469.

**9. Broad empowerment of the directors to implement, notarise, register, rectify and execute the adopted resolutions. (Item 9 of the Agenda)**

To empower all the members of the Company's Board of Directors, in the broadest terms, so that any of them, without distinction, may notarise the resolutions adopted by the General Meeting, with the powers to remedy, rectify and interpret their wording on the basis of the verbal or written comments by the Mercantile Register and for the sole purpose of registration therein. That authorisation also extends to granting any type of public or private document that may be required to enforce, implement and formalise all the resolutions adopted by the Meeting, without limitation.

**10. Approval, where applicable, of the Meeting's minutes in any of the ways established in article 113 of the consolidated text of the Consolidated Text of the Public Limited Companies Act, or application of the provisions of article 114 of said Act. (Item 10 of the Agenda)**

Mr. José Javier Cuevas Castaño, notary, was engaged to attend and minute the Meeting shareholders in the way established in article 113 of the Consolidated Text of the Public Limited Companies Act,