

## **REPORT OF THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. ON THE PROPOSED APPOINTMENT AND RE-ELECTION OF DIRECTORS (ITEM 4 OF THE AGENDA)**

### **Background and justification of the proposal**

This report is produced by the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereinafter referred to as the "**Company**") in accordance with the provisions of Article 529 decies.5 of the Capital Company Law, to justify the following proposed appointment/re-election of directors submitted to the General Meeting of Shareholders for approval, under point 4 of the agenda:

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

##### **4.1.- Re-election of EAC INVERSIONES CORPORATIVAS, S.L. as director representing controlling shareholders.**

*The following is proposed: "Re-elect, based on a favourable report of the Appointments and Remuneration Commission, as member of the Board of Directors, effective as of the date of this Meeting and for the period established in the Articles of Association of four (4) years, EAC INVERSIONES CORPORATIVAS, S.L. with the category of director representing controlling shareholders".*

The purpose of this report is to assess the competence, experience and merits of the candidates whose re-election are being proposed to the Meeting, for the purpose of which the Board of Directors has taken into account the suitability of the professional profiles of the directors to the particular features of the business and the growing international presence of the Company.

The Board of Directors has also verified that the candidates meet the requirements based on honor, aptitude, solvency, competence, experience, qualification, training, availability and commitment to their role, that they contribute to the diversity of the composition of the Board of Directors, and that they are not directly or indirectly concerned by any of the causes of disqualification or prohibition set out by Law, the Articles of Association and the Rules of the Board of Directors.

The Appointments and Remuneration Commission previously issued a report, which was approved at its meeting of 09 May 2017, which favourably reports on the proposed re-election of the director EAC INVERSIONES CORPORATIVAS, S.L., as director representing controlling shareholders.

#### **1. Justification of the proposed re-election of the director EAC INVERSIONES CORPORATIVAS, S.L.**

##### **Represented by Ms Alicia Alcocer Koplowitz**

EAC INVERSIONES CORPORATIVAS, S.L. director of the company since 30 March 1999; it has been represented by Ms Alicia Alcocer Koplowitz.

Ms Alicia Alcocer Koplowitz (Law degree) has started her professional career in Banco Zaragozano, where during four years, she worked in the Financial Department. She has been member of the Board of Directors of Banco Zaragozano. She is currently member of the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., and member of its Executive Commission. She is Chairwoman of Cementos Portland Valderrivas, S.A. and member of the Board of Directors of Realia Business, S.A.

Ms Alicia Alcocer Koplowitz (as natural person representative of EAC INVERSIONES CORPORATIVAS, S.L.) is advisory member of the Innovation, Technology and Science Board, which depends on the Economy and Competitiveness Ministry. In view of the connection of EAC INVERSIONES CORPORATIVAS, S.L. with DOMINUM DIRECCIÓN Y GESTIÓN, S.A., its re-election as a director representing a controlling shareholder is being proposed.

The Board of Directors, in light of the Report of the Appointments and Remuneration Commission, takes the view that the performance of EAC INVERSIONES CORPORATIVAS, S.L. as a member of the Board since its appointment on 23 June 2014 has been more than satisfactory in all aspects: performance of the post of director; quantity and quality of its work; and dedication to the post; it also promotes diversity in the composition of the Board of Directors.

Furthermore, the Board of Directors, in light of the Report of the Appointments and Remuneration Commission, values the CV and professional background of Ms Alicia Alcocer Koplowitz, which show that she has the appropriate skills, experience and merits to undertake the post of natural person representative of the director EAC INVERSIONES CORPORATIVAS, S.L.

It is the opinion of the Board of Directors that this justifies her re-election as director, with the capacity of a director representing a controlling shareholder.