

REPORT OF THE APPOINTMENTS AND REMUNERATION COMMISSION TO THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. IN RELATION TO THE PROPOSED RE-ELECTION OF EAC INVERSIONES CORPORATIVAS, S.L. AS DIRECTOR REPRESENTING A CONTROLLING SHAREHOLDER

Section four of Article 529 decies of the Capital Company Law establishes that the Appointments and Remuneration Commission is responsible for the proposed appointment or re-election of members of the Board of Directors, if these are independent directors, while the Board itself assumes this responsibility in all other cases.

Furthermore, section six of the aforementioned Article establishes that the proposed appointment or re-election of any non-independent director must be based on a Report of the Appointments and Remuneration Commission

For these purposes, at the meeting on 9 May 2017 of the Appointments and Remuneration Commission of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereinafter the "**Company**"), it was unanimously agreed to submit the following report to the Board of Directors of the Company, according to the provisions of the aforementioned Article 529 decies.6 of the Capital Company Law, relating to the proposed re-election of EAC INVERSIONES CORPORATIVAS, S.L. as director representing a controlling shareholder, in representation of the significant shareholder DOMINUM DIRECCIÓN Y GESTIÓN, S.L.

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 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.

Therefore, the Appointments and Remuneration Commission unanimously agrees to issue a favourable report on the proposed re-election of EAC INVERSIONES CORPORATIVAS, S.L. as a member of the Board of Directors of the Company, as a director representing a controlling shareholder, for the period indicated in the articles of association of four years.

Furthermore, the Appointments and Remuneration Commission values the CV and business background of Ms Alicia Alcocer Koplowitz (person nominated by EAC INVERSIONES CORPORATIVAS, S.L. as its legal person representative to the Board of the Company in the event that its re-election is approved by the General Meeting), 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., having hitherto undertaken this role in a diligent manner and shown loyalty to the Company.

On the basis of the foregoing, the Appointments and Remuneration Commission unanimously agrees to issue a favourable report on the proposal of Ms Alicia Alcocer Koplowitz, as legal person representative of EAC INVERSIONES CORPORATIVAS, S.L.

In Madrid, 9 May 2017