

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

**FULL TEXT OF THE PROPOSALS MADE BY THE BOARD OF DIRECTORS TO THE ORDINARY
GENERAL MEETING OF SHAREHOLDERS ON 23 MAY 2013.**

1. Examination and approval of the financial statements and directors' reports of Fomento de Construcciones y Contratas, S.A. and its consolidated Group for 2012, as well as the Board of Directors' conduct of business in that year.

It is proposed: "To approve the financial statements and the directors' report of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. and its consolidated Group for 2012. Those documents have obtained a favourable report from the Audit and Control Committee and the Company's auditors."

It is also proposed: "To approve the Board of Directors' conduct of the company's business in 2012."

2. Examination and approval of the proposed distribution of 2012 income.

Having regard to the negative result from the income statement for the year ended 31 December 2012, it is proposed: "To apply the loss for the year 2012, amounting to 715,759,148.08 euro, to the 'Prior years' losses' account".

3. Re-appointment of auditors for the Company and its consolidated group.

It is proposed: "Following a favourable report from the Audit and Control Committee, to re-appoint 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, as auditor of the Company and of its consolidated group for 2014."

4. Amendment to the Articles of Incorporation.

4.1. Amendment to article 29 ("Requirements and term") of the Articles of Incorporation.

It is proposed: "Based on the report by the Directors, which has been available to shareholders since the announcement of the General Meeting of Shareholders, to amend article 29 of the Articles of Incorporation to read as follows:



Article 29. Requirements and Term.

In order to be a board member it will not be necessary to be a shareholder. Both natural and legal persons may be directors but, in the case of the latter, the legal person must designate one natural person as its permanent representative for the purpose of discharging the duties inherent to the office. Removal of the representative by the legal person that is a director shall not take effect until their replacement is appointed.

Those affected by any of the circumstances of incapacity or incompatibility provided by law, particularly those set forth in Act 5/2006, of 10 April and Act 53/1984 of 26 December and any others which may be enacted in the future, are prohibited from being board members.

Board members will hold office for three (3) years, but may be re-elected indefinitely, one or more times, for terms of equal length.

Under the foregoing amendment to article 29 of the Articles of Incorporation, which reduces director's terms from five (5) to three (3) years, no director of the Company may hold office for more than three (3) years from the date of adoption of this resolution.

This affects only the directors that were appointed by the Ordinary General Meeting on 31 May 2012, i.e. B-1998, S.L. and Mr. César Ortega Gómez, whose terms will be three years from the date of adoption of this resolution."

4.2. Amendment to article 36 ("Operation of the Executive Committee") of the Articles of Incorporation.

It is proposed: "Based on the report by the directors, which has been available to shareholders since the announcement of the General Meeting of Shareholders, it is proposed to amend article 36 of the Articles of Incorporation to read as follows:

Article 36. Operation of the Executive Committee.

The Board of Directors, when setting up the Executive Committee, will determine its power and appoint the directors who will sit on the Committee.

The Executive Committee will be convened by its Chairman or upon the request of two Committee members. The notice will be sent by letter, telegram, e-mail or fax to each Committee member at least 48 hours in advance of the meeting date. The Executive Committee may be convened immediately for reasons of urgency, in which case the meeting agenda will be limited to the issues which caused the urgency.

In the absence of the Chairman of the Executive Committee, or if that position is vacant, meetings may be convened by the longest-standing member of the Committee and, in the event of there being two or more members with the same seniority, by the one who is oldest. In the case of directors that are legal persons, the age of the natural person representing them shall be used.

Meetings shall be held at the Company's registered offices or any other location designated by the Chairman and indicated in the announcement.

In order for the Executive Committee to be quorate, there must be a majority of members present or represented.

Absent members may be represented by another member of the Executive Committee, by notifying the Chairman in writing.

The Chairman shall direct debates and give the floor to those attendees who wish to speak.

In the absence of the Chairman of the Executive Committee, or if that position is vacant, his functions shall be performed by the Committee member designated for this purpose by the majority of members in attendance.

Resolutions shall be passed by absolute majority of the Committee members.

In the event of a tie, the matter will be submitted to the Board of Directors. In this case, the members of the Executive Committee will request that a meeting be convened as provided for in article 30 of the Articles of Incorporation, unless a Board meeting is already scheduled to be held within the next thirty calendar days, in which case the Committee will ask the Chairman of the Board to include the matters on which the Committee is tied on the meeting agenda.

5. Appointment of directors.

5.1. Ratification and appointment of JUAN BÉJAR OCHOA as executive director.

It is proposed: "To ratify and appoint Mr. JUAN BÉJAR OCHOA as a member of the Board of Directors, based on a favourable report by the Appointment and Remuneration Committee, effective from the date of this General Meeting and for a term of three years, with the status of executive proprietary director."

5.2. Reappointment of Mr. NICOLÁS REDONDO TERREROS as an independent director.

It is proposed: To re-appoint Mr. NICOLÁS REDONDO TERREROS as a member of the Board of Directors, at the proposal of the Appointment and Remuneration Committee, effective from the date of this General Meeting and for a term of three years, with the status of independent director."

6. Extension of the period granted to the Board of Directors by the General Meeting of Shareholders on 10 June 2009 to execute the resolution to reduce capital through amortisation of own shares that was adopted by that General Meeting.



It is proposed: "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 on 10 June 2009, under item 7.2 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. That deadline was extended by one year by the Ordinary General Meetings of Shareholders on 27 May 2010, 1 June 2011 and 31 May 2012.

The Board of Directors must inform the next General Meeting of any use which it makes of the power hereby extended."

7. Authorisation to the Board of Directors, with express power to subdelegate, to buy own shares in the secondary market and authorisation to the subsidiaries to acquire shares of Fomento de Construcciones y Contratas, S.A., within the limits and requirements established in the Capital Companies Act.

On 30 November 2009, the General Meeting of Shareholders resolved, under item Two of the agenda, to approve a programme to buy back own shares so as to enable the Company to fulfil its obligations arising from the issuance of bonds that are convertible into shares, as approved under item One of the agenda of that same Meeting.

Having regard, among other matters, to the interests of the Company and the change in the circumstances that gave rise to the acquisition of own shares under the aforementioned resolution of the General Meeting, the Board of Directors considers that the Company should be allowed to dispose of such shares, without prejudice to the Board monitoring the Company's share price carefully and, where necessary, being able to approve another programme to buy back own shares in the terms approved by the aforementioned General Meeting of Shareholders on 30 November 2009.

On the basis of the foregoing, it is proposed "To authorise the performance, by the Company, of any act of disposal, in any form allowed by law, of the own shares held by the Company that were acquired in the framework of the Buyback Programme approved by a resolution of the General Meeting of Shareholders on 30 November 2009 under item Two of the agenda."

Also, without prejudice to the foregoing, and in accordance with standard practice among listed companies, it is advisable for the Board of Directors to be authorised to acquire own shares in the secondary market in the future and, to this end, it is proposed: "To authorise FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., and the companies in its Group which meet any of the circumstances set out in article 42.1 of the Commerce Code, to acquire own shares on the market, by purchase, exchange or any other transaction allowed by law, at the stock market price on the day of acquisition, which must be between the following minimum and maximum values:

- At most 20% more than the highest market price in the three months prior to the acquisition.

- No less than 20% less than the lowest market price in the three months prior to the time of the acquisition.

By virtue of this authorisation, the Board of Directors, the Executive Committee and the Managing Director, without distinction, may acquire own shares under the terms of article 146 of the Capital Companies Act.

The Board of Directors, the Executive Committee and the Managing Director, without distinction, may allocate any or all of the own shares so acquired to the execution of remuneration programmes consisting of the delivery of shares or stock options, in accordance with article 146.1 of the Capital Companies Act.

This authorisation is granted for the maximum period allowed by law, and must conform to the limit of capital stock that is applicable under the legislation in force at the time of the acquisition.

The acquisition of shares, which must be fully paid, must enable the FCC Group company that acquired them to appropriate the restricted reserves required in article 148.3 of the Capital Companies Act."

8. Remuneration for the members of the Board of Directors.

8.1. Remuneration for the members of the Board of Directors corresponding to the year 2012.

As provided in the Annual Report on the remuneration policy for Directors that was submitted for an advisory vote and approved by the Ordinary General Meeting of Shareholders on 31 May 2012, and on the basis of the provisions of article 37 of the Articles of Incorporation approved by that Meeting, the system of remuneration for directors includes a share in net profit and a remuneration for actual attendance at meetings of the Board and its Committees.

In accordance with the content of the motion under item Two of the Agenda of this Meeting, it follows from the company's results in 2012 that no share in corporate profits is payable to the directors.

Consequently, the directors will be remunerated for performance of their duties only by virtue of their attendance at meetings of the Board and its Committees and, to this end, the General Meeting must determine the amount payable under this heading, which will be distributed by the Board among its members based on their actual attendance at meetings.

Accordingly, it is proposed: "To approve, in accordance with article 37 of the Articles of Incorporation, that the total amount to be distributed among the directors as remuneration for actual attendance at meetings of the Board and its Committees in 2012 be set at 699,000 euro."

8.2. Advisory vote on the annual Report on Director Remuneration Policy referred to in article 61 ter of the Securities Market Act.

In accordance with the provisions of Article 61 ter of the Securities Market Act and Article 37 of the Articles of Incorporation, the Board must draw up an annual report on the director remuneration policy for the current year and on the application of the policy in force during the preceding year. On 10 April 2013, based on a proposal by the Appointments and Remuneration Committee, the Company's Board of Directors approved the Annual Report on Director Remuneration Policy, which was made available to shareholders on the Company's website at the time of publication of the notice of the General Meeting.

Accordingly, it is proposed: "To approve, on an advisory basis, the aforementioned Annual Report on the Director Remuneration Policy of FCC".

9. Broad empowerment of the directors to elaborate upon, notarise, register, rectify and execute the adopted resolutions.

It is proposed: "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, 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.

Although it is proposed to approve the minutes of the Meeting in any of the ways established in article 202 of the Capital Companies Act, shareholders are informed that the Board of Directors intends to engage a notary to attend and minute the Meeting.

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