



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

**Full texts of the resolutions proposed by the Board of Directors to the General Meeting of Shareholders on 18 June 2008**

**1. Examination and approval of the financial statements and directors' reports of Fomento de Construcciones y Contratas, S.A. and its consolidated group for 2007, as well as the Board of Directors' conduct of business. (Item 1 of the Agenda)**

It is proposed: "To approve the financial statement and the directors' report of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. and its consolidated group for 2007. 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 2007."

**2. Examination and approval of the proposed distribution of 2007 income. (Item 2 of the Agenda)**

It is proposed: "To approve the following proposal by the Board of Directors as to the application of the 2007 income of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., which amounts to a profit of 504,882,123.25 euro:

- At a meeting on 18 December 2007, the Board of Directors declared an interim dividend of 1.065 euro gross per share with dividend rights at the time of payment. There were 130,191,497 such shares; consequently, the total interim dividend distributed amounted to 138,653,944.31 euro.
- It is proposed now to pay a supplementary dividend of 1.065 euro per share with dividend rights at the time of payment.

From the foregoing amount, an amount of 0.1917 euro per share (18% 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 0.8733 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 July 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, it is proposed to approve the remuneration for the Company's Board of Directors for

2007, which amounts to 2,020,325 euro, equivalent to 0.273% of consolidated income attributable to Fomento de Construcciones y Contratas, S.A."

**3. Ratification and appointment of directors. (Item 3 of the Agenda)**

**Three A: Ratification and appointment of Mr Baldomero Falcones Jaquotot as an executive director**

It is proposed "To ratify the appointment made via co-option by the Board of Directors at its meeting on 18 December 2007 of Baldomero Falcones Jaquotot as executive director, whose term concludes today, and reappoint him, based on a favourable report by the Appointment and Remuneration Committee, as a member of the Board effective from the date of this General Meeting and for a term of five years with the aforementioned status of executive director".

**Three B: Appointment of Mr Nicolás Redondo Terreros as an independent director**

In order to fill an existing vacancy, due to the resignation by the director, IBERSUIZAS ALFA, S.L., the Appointment and Remuneration Committee proposes the appointment of the following person:

"To appoint, based on a proposal by the Appointment and Remuneration Committee, as a member of the Board of Directors effective from the date of this General Meeting and for a term of five years, Mr Nicolás Redondo Terreros, as an independent director."

**Three C: Ratification of Mr Gonzalo Anes Álvarez de Castrillón as an independent director**

Mr Gonzalo Anes Álvarez de Castrillón was appointed a Company director for the first time on 30 June 1991 and he held office until 21 June 2005, when the General Meeting of Shareholders re-appointed him as an independent director.

However, since the Unified Code of Good Governance of Listed Companies was approved in May 2006, establishing new recommendations on the matter, it is proposed, based on a favourable report by the Appointment and Remuneration Committee,

"To ratify Mr Gonzalo Anes Álvarez de Castrillón as an independent director."

**Each paragraph (A, B and C) will be voted on separately.**

**4. Amendment to article 37 of the Articles of Incorporation ("Remuneration"). (Item 6 of the Agenda)**

"In accordance with the Directors' Report, which has been available to the shareholders since the date of the meeting announcement, it is proposed to reword article 37 of the Articles of Incorporation of Fomento de Construcciones y Contratas, S.A. to read as follows (Item 6 of the Agenda)

**"Article 37. Remuneration.**

The post of board member is remunerated. The remuneration shall consist of a share of the liquid profits which shall not be less than two percent (2%) of the financial year

results attributed to Fomento de Construcciones y Contratas, S.A. on the Group's consolidated annual accounts. This amount will be paid to the Board of Directors once all legal reserves have been covered and a minimum dividend of four percent (4%) has been paid to shareholders. The remuneration for each financial year will be decided by the General Meeting of Shareholders.

The Board will distribute among its members the remuneration resolved at the General Meeting of Shareholders, taking into account the functions and responsibilities of each one in the Board or its Delegate Committees and other criteria envisaged in the Rules of the Board of Directors, including, within the amount referred to in the previous paragraph of this article, fixed remuneration as well as attendance fees, variable remuneration and benefit schemes.

In accordance with the resolution adopted by the General Meeting of Shareholders, and regardless of the provisions of the foregoing paragraphs, director remuneration may also consist of the delivery of shares or stock options, or may be referenced to the value of the Company shares.

The remuneration mentioned in the preceding paragraphs for board members will be compatible with the other waged, service or professional remuneration paid to the board members for the performance of their duties, whether managerial, executive, advisory or of any other nature, other than the directors' functions of supervision and collective decision-making, which they perform for the Company, under the form of hired employment, lease of services or any other form legally applicable to them based on their nature." "

**5. Authorisation for the Board of Directors to establish a remuneration system for executives and directors with executive functions linked to the value of the Company's shares and in compliance with article 130 of the Public Corporations Act. (Item 7 of the Agenda)**

In accordance with Article 130 and Additional Provision Four of Public Corporations Act, since the remuneration plan linked to the value of the share includes as beneficiaries the members of the Board of Directors and senior executives, it requires approval by the General Meeting of Shareholders.

Consequently, the following is proposed to the General Meeting of Shareholders for approval:

"STOCK OPTION PLAN:

1. Purpose

The purpose of this Plan is to grant, free of charge, options on ordinary stock to Executive Directors and Executives of FCC Group.

The participant acquires the right to subscribe, free of charge, options on ordinary stock of Fomento de Construcciones y Contratas, S.A. (hereafter "FCC", or the "Company").

Each option may give the right to subscribe one share of FCC, the difference in cash, or a combination of the two. The Board of Directors is empowered to determine the method of exercising the option at the time the Plan is executed.

2. Duration of the Plan

The duration of the Plan will be five years, with the goal of aligning the Participant's interests, through the efficient and professional management of resources, with the

achievement of the objectives set out in the Group's Strategic Plan, to the benefit of all shareholders.

Nevertheless, the Plan may be terminated in advance in the event that FCC shares are excluded from trading on the Stock Exchange Interconnection System (SIBE) or any other equivalent trading system that replaces it in the future.

### 3. Participants

The Plan applies to those Executive Directors and Executives (hereinafter "Participants") that are selected by the Board of Directors. The Plan expressly envisages the incorporation or removal of participants during its term.

The status of Participant is of a strictly personal nature, and options may not be transferred to a third party, except for transfers "mortis causa".

### 4. Maximum Amount of the Plan

The maximum total of Options granted under the plan is 3,300,000, and thus a maximum of 3,300,000 shares, i.e. 2.527429% of the company's current share capital.

Executive directors and senior executives of the group will receive a maximum total of 1,500,000 options.

The power to determine what percentage of the Options will be awarded on the Execution Date of the Plan, and how many will be reserved for future appointees, and the number to be assigned to each category of Participant lies with the Board of Directors, based upon consultation with the Appointment and Remuneration Committee.

Options that are not awarded will expire when the plan concludes.

### 5. Strike Price of the Option. Conditions for exercising

The power to set the Strike Price of the Option lies with the Board of Directors, according to the following criteria. The Strike Price will be the greater of the following:

- a. Weighted average share price of FCC in the previous three months.
- b. Weighted average share price of FCC in the previous 15 days.

In both cases, the date established in the Board of Directors' agreement to execute the plan will be the reference date.

The Board of Directors will decide the periods during which Participants may exercise their options.

### 6. Correction of the Strike Price

The Strike Price may be corrected by the Board of Directors (or the Executive Committee), based upon consultation with the Appointment and Remuneration Committee, for the following cases:

- (1) If it is decided to change the par value of the Share. In this case, the price will be adjusted to the share's new par value.
- (2) If any corporate decision has an extraordinary dilutive effect or extraordinarily affects the share's value, apart from the distribution of the

ordinary dividend or a capital increase at market prices. In this case, the Strike Price will be reduced in accordance with the dilutive effect produced.

- (3) In the case of capital increases with pre-emptive rights, the Strike Price will be corrected downwards by the theoretical value of the warrant.

#### 7. Amendments to the Plan

Based upon consultation with the Appointment and Remuneration Committee, the Board of Directors and the Executive Committee may amend the Plan at any time to have recourse to any significant benefit resulting from the application of regulations to be approved in the future. The amendment must respect Participants' acquired rights.

#### 8. Delegation of powers

The Board of Directors is empowered to delegate the Executive Committee to implement, fulfil and execute this agreement under the terms and conditions it deems appropriate."

6. **Authorisation to the Board of Directors, with express power to delegate, to acquire own shares on the market and authorisation to the subsidiaries to acquire shares of Fomento de Construcciones y Contratas, S.A., with the power to allocate some or all of the own shares acquired to remuneration programmes whose purpose or mechanism is the delivery of shares or stock options; all within the limits and requirements established in article 75 et seq. of the Public Corporations Act, rendering null and void the part not used of the authorisation granted by the General Meeting of Shareholders on 28 June 2007 for this purpose. (Item 8 of the Agenda)**

In accordance with the Directors' Report which has been available to the shareholders since the date of the meeting announcement, 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 and 42.2 of the Commerce Code, to acquire own shares on the market, by purchase in any of the Stock Exchanges on which they are listed, at the stock market price on the day of acquisition, which must be between the following minimum and maximum values:

- At most 10% more than the highest market price in the three months prior to the acquisition.
- No less than 10% lower 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 provided that, at the time of acquisition, and including the acquired shares, the own shares do not exceed 5% of capital stock in the terms contained in article 75.2 of the Consolidated text of the Public Corporations Act.

The Board of Directors, the Executive Committee and the Managing Director, without distinction, may allocate some 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 75.1 of the Public Corporations Act.

This authorisation will run for 18 months from this date.

The acquisition of shares, which must be fully paid, must enable the company to appropriate the reserve required in article 79.3 of the Public Corporations Act without reducing capital, the legal reserve or other reserves that the Articles of Incorporation or the law designate as restricted.

The authorisation to acquire own shares granted to the Board by resolution of the General Meeting of the Company on 28 June 2007 is hereby revoked."

**7. Reduction of capital through amortisation of own shares, delegating to the Board of Directors the necessary powers to execute this resolution. (Item 9 of the Agenda)**

"In accordance with the Directors' Report, which has been available to the shareholders since the date of the meeting announcement, it is proposed:

One: To reduce the company's share capital by 3,264,187 euro through the amortisation of 3,264,187 own shares which were previously acquired in accordance with authorisation given by the General Meeting of Shareholders at the time, within the limits of articles 75 et seq. and additional provision 1, section 2, of the Public Corporations Act. Consequently, the text regarding share capital in article 5 of the Articles of Incorporation is amended to read as follows:

*"Article 5. Share capital*

*The share capital is ONE HUNDRED AND TWENTY-SEVEN MILLION, THREE HUNDRED AND THREE THOUSAND, TWO HUNDRED AND NINETY-SIX (127,303,296) euro, represented by one hundred and twenty-seven million, three hundred and three thousand, two hundred and ninety-six (127,303,296) shares with a par value of one euro each.*

*The shares are fully subscribed and paid up."*

The reduction in share capital will be performed against voluntary reserves, annulling the corresponding amount of the restricted reserve referred to in article 79.3 of the Public Corporations Act, and allocating a reserve for amortised capital of 3,264,187 euro (equal to the par value of the amortised shares) which may only be used subject to the same requirements as applied to the capital reduction, in accordance with article 167.3 of the Public Corporations Act. Consequently, in accordance with that precept, the company's creditors shall not have the right of opposition referred to in article 166 of the Public Corporations Act as a result of the agreed capital reduction.

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

Two: To empower the Board of Directors so that, within one year from the date this resolution, it may determine any details not expressly set out in this decision or that may result from this decision, and adopt such resolutions, carry out such actions and grant such public or private documents as may be necessary or advisable for the enforcement of this resolution, including the ability not to perform the capital reduction having regard to the company's interests and, in particular, to market conditions and to any event or circumstance of social or economic relevance that make such a decision advisable, which must be notified to the first General Meeting of Shareholders held after that one-year period has elapsed, or at the next General Meeting of Shareholders if one is held before that period elapses. The powers of the Board of Directors shall include but not be limited to the publication of the legally-required notices, and the presentation of requests and communiqués that are required to delist the amortised shares, which powers may be delegated by the Board of Directors to the bodies or persons it deems appropriate."

**8. Delegation to the Board of Directors, for a maximum term of 5 years, the power to**

**issue securities exchangeable for Company shares, up to a maximum of six hundred million euro (€600,000,000). (Item 10 of the Agenda)**

In accordance with the Directors' Report which has been available to the shareholders since the date of the meeting announcement, it is proposed:

One.- To delegate to the Board of Directors, under article 319 of the Mercantile Register Regulation and the general rules on the issuance of bonds, the power to issue securities exchangeable for Company shares, already issued and outstanding, in accordance with the following conditions:

1. The issuance of securities exchangeable for Company shares may be made one or several times within a maximum term of five (5) years from the date when this decision is approved.

2. The maximum amount of the issue or issues of securities exchangeable for Company shares under this delegation will be six hundred million euro (€600,000,000), or the equivalent in any other currency.

3. The power to issue securities exchangeable for Company shares which are already issued and outstanding will include the following aspects and powers:

i) The establishment of the various characteristics and conditions of each issue, including, but not limited to: determining the amount, for each issue or tranche, within the aforementioned overall quantitative limit; the type: bonds, debentures (subordinated or otherwise), warrants or any other allowed by law; the date or dates of issue; the number of securities and their nominal value, which in the case of bonds and debentures will not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or issue premium, the strike price (fixed or variable), and the procedure, term, and other conditions applicable to the exercise of the right to subscribe or acquire the underlying shares; the interest rate (fixed or variable), the dates and procedures for paying the coupon; whether the issue is perpetual or amortisable and, thus, in the latter case, the amortisation period and maturity date; the reimbursement rate, premiums and batches, and collateral; the method of representation, whether by certificates or book-entries; the preemptive right or overriding of such right (as is provided in the resolution), and the rules regarding subscription; anti-dilution clauses; applicable legislation, and generally any other condition of the issue, and, as appropriate, appointment of the bondholders' representative and approval of the basic rules governing legal relations between the Company and the association of the holders of the securities that are issued if it is necessary to establish such an association.

ii) The power to determine the exchange ratio, which may be fixed or variable, within the limits set forth below, and the time of conversion, which may be confined to a pre-set period within a period of at most 20 years; whether exchange is voluntary or obligatory and whether it is at the election of the Company or the security holders, or both, and generally any details and conditions that may be necessary or advisable for the issue.

In the event that the exchange ratio is fixed, the price of the shares for the purposes of the exchange may not be less than the higher of:(i) the arithmetic mean of the share's closing price on the Electronic Market in a period to be determined by the Board of Directors, which may not be greater than three months, nor less than fifteen days, prior to the date of the Board meeting which, making use of this delegation, decides to issue exchangeable securities, and (ii) the closing price of the shares on that same Electronic Market on the day before the Board meeting which, making use of this delegation, decides to issue exchangeable securities.

In the event that the exchange ratio is variable, the price of the shares for the purposes of exchange must be the arithmetic mean of the closing prices of the Company's shares on the Electronic Market during a period to be determined by the Board of Directors, which may not be more than three months nor less than five days prior to the exchange date, with a

premium or discount, as the case may be, upon that share price. The premium or discount may differ for each date of exchange for each of the issues; however, discounts may not exceed 30% of that share price.

In no event may the value of the share for the purposes of the exchange be less than its par value.

For exchange purposes, securities will be valued at their nominal value, and may or may include interest accrued and outstanding at the exchange date.

At successive General Meetings of Shareholders, the Board of Directors will inform shareholders of any use it has made of the delegation.

Two.- To request admission to trading, on official or unofficial secondary markets, be they organised or otherwise, whether domestic or foreign, of the exchangeable securities issued by the Company by virtue of this delegation, empowering the Board to complete the paperwork and actions necessary for listing before the competent authorities of the various domestic and foreign securities markets.

In accordance with article 27 of the Stock Exchange Regulation, it is hereby expressly stated that, in the event of a subsequent application for delisting of the exchangeable securities issued by virtue of this delegation, this decision will be adopted subject to the same formalities as referred to in that article and, in that case, the interests of the shareholders or holders of securities that oppose or do not vote in favour of the decision will be guaranteed, in compliance with the requirements established in the the Public Corporations Act and matching provisions, all in accordance with the Stock Exchange Regulation, the Securities Market Law, and their implementing provisions.

Three.- To empower the Board of Directors, in accordance with article 141 of the Public Corporations Act, to delegate the powers it has been granted by the General Meeting of Shareholders regarding the foregoing resolutions to the Executive Committee, with express powers to delegate to the Managing Director."

**9. Reappointment of auditors for the company and its consolidated group. (Item 11 of the Agenda)**

It is proposed: "To re-appoint, as auditor of the Company and of its consolidated group for 2009, 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."

**10. To give broad powers to the directors to implement, notarise, register, rectify and execute the adopted resolutions. (Item 12 of the Agenda)**

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."

**11. Approval, where applicable, of the Meeting's minutes in any of the ways established in article 113 of the consolidated text of the Public Corporations Act, or application of the provisions of article 114 of said Act. (Item 13 of the Agenda)**



Although it is proposed to approve the minutes of the Meeting in any of the ways established in article 113 of the Public Corporations Act, shareholders are informed that the Board of Directors intends to engage a notary to attend and minute the Meeting.