



In conformity with Article 82 of the Spanish Securities Market Law, **SACYR VALLEHERMOSO, S.A.** (the “**Company**”) hereby discloses the following

### **SIGNIFICANT INFORMATION**

At the ordinary General Shareholders’ Meeting validly held today, 19 May 2011, at second call, shareholders approved with a sufficient majority all the proposed resolutions submitted for consideration by the Board of Directors.

Attached is the full text of the resolutions adopted.

Madrid, 19 May 2011.



**RESOLUTIONS APPROVED TO THE ORDINARY GENERAL SHAREHOLDERS'  
MEETING OF SACYR VALLEHERMOSO, S.A., SCHEDULED FOR 19 MAY 2011 ON  
SECOND CALL**

---

**FIRST RESOLUTION:**

**Approval of the annual accounts and management report of Sacyr Vallehermoso, S.A., and the consolidated annual accounts and management report of Sacyr Vallehermoso, S.A. and its subsidiaries for the year ended 31 December 2010.**

*“Approval of the annual accounts and management report of Sacyr Vallehermoso, S.A., and the consolidated annual accounts and management report of Sacyr Vallehermoso, S.A. and its subsidiaries for the year ended 31 December 2010, which were approved by the Board of Directors at its meeting on 29 March 2011.”*

**SECOND RESOLUTION:**

**Distribution of 2010 earnings.**

*“Approval to apply 2010 earnings, which totalled €14,243,818.32, as follows:*

- To legal reserve: ..... €1,424,381.83*
- To voluntary reserve: ..... €12,819,436.49*

**THIRD RESOLUTION:**

**Approval of the management exercised by the Board of Directors during 2010.**

*“Approval of the management exercised by the Sacyr Vallehermoso, S.A. Board of Directors in the execution of its duties during 2011.”*

**FOURTH RESOLUTION:**

Approval of the remuneration paid to the Executive Directors during 2010 – as governed by article 43.2 of the Company Bylaws.

*“Approval of the remuneration paid to the Executive Directors during 2010 – as governed by article 43.2 of the Company Bylaws -- broken down as follows:*

**- Luis Fernando del Rivero Asensio:**

*Fixed: ..... €1,400,000*

*Variable: ..... €1,316,000*

*Insurance premium: ..... €628*

*Total: ..... €2,716,628*

**- Manuel Manrique Cecilia:**

*Fixed: ..... €600,000*

*Variable: ..... €564,000*

*Life insurance: ..... €462*

*Total: ..... €1,164,462*

**FIFTH RESOLUTION:**

Authorisation of a share buyback by the Company, directly or through Group companies.

*“Authorise the acquisition of share derivatives in Sacyr Vallehermoso, S.A. by the Company and its subsidiaries within the scope of article 146 of the Spanish Companies Act, complying with current legislation at all times and subject to the following conditions:*

- These shares may be acquired either directly by the Company or indirectly through its subsidiaries by purchase, swap or any other lawful transaction for consideration.*
- The nominal amount of shares acquired, plus any already held, directly or indirectly, may not exceed the maximum percentage allowed under prevailing law.*
- The acquisition price per share shall be at least par value and at most the price quoted on the stock market on the date of acquisition.*

- *The authorisation is granted for a five-year term.*

*This authorisation also extends to the acquisition of any shares that may have been delivered directly to the employees and directors or the Company and its subsidiaries or as a consequence of exercising stock options.*

*This authorisation renders null and void the unused portion of the authorisation given at the General Meeting of 30 June 2010.”*

### **SIXTH RESOLUTION:**

Authorisation to the Board of Directors, with the express right to further delegate these powers, to increase the share capital by up to one half that existing at the authorisation date, pursuant to article 297.1.b) of the Spanish Enterprise Act, with delegation for the exclusion of the pre-emptive subscription right.

*“A) Authorise the Board of Directors, to the fullest extent required under law, and in accordance with article 297.1.b) of the Spanish Enterprise Act, to increase share capital on any number of occasions at any time within a term of five years from the date of said General Meeting, up to a limit of €205,084,543.00, equivalent to half of the Company’s share capital. Equity issues authorised under this resolution will take the form of the issue of new shares, at a premium to par value or otherwise, in exchange for cash contributions. For each issue, it is up to the Board of Directors to determine whether the new shares to be issued will be ordinary shares, preference shares, non-voting shares, redeemable shares or any other type allowed by law. Moreover, the Board of Directors is authorised to determine, to the extent not specifically provided for, the terms and conditions governing the share issues and the characteristics of the shares, and whether or not to freely re-offer any shares not subscribed in the period(s) earmarked for exercising pre-emptive subscription rights. The Board of Directors may also dictate, in the event of incomplete subscription to the offer, that capital will only be increased by the amount of the shares effectively subscribed and may redraft the articles of the Bylaws dealing with share capital and number of shares issued.*

*Also with regard to share issues completed under the scope of this faculty, the Board of Directors is empowered to waive, in part or in full, pre-emptive subscription rights, as provided for in article 506 of the Spanish Enterprise Act.*

*The Company will carry out the necessary formalities to ensure that the shares issued by the Company under this power are listed for trading on official or unofficial, organised or over-the-counter Spanish or foreign secondary markets, thereby authorising the Board of Directors to act accordingly to list the instruments before the competent authorities and bodies of the various Spanish and international securities markets.*

*The Board of Directors is expressly authorised to delegate, pursuant to article 249.2 of the Spanish Enterprise Act, the powers mentioned in this agreement.*

*B) This authorisation renders null and void the unused portion of the authorisation given at the General Meeting of 30 June 2010.”*

#### **SEVENTH RESOLUTION:**

Authorisation to the Board of Directors, with the express right to further delegate these powers, for a period of five years to issue securities (especially including debentures, bonds and warrants) exchangeable for or conferring the right to acquire shares outstanding in the Company or other companies and/or exchangeable for or conferring the right to subscribe to newly issued shares in the Company and to guarantee any issues of these securities by its Group companies. Establishing the criteria for determining conversion and/or exchange bases and methods and granting the Board of Directors the power to increase share capital as necessary and to exclude the pre-emptive subscription right from the issue of these securities.

*“Authorise the Board of Directors, in accordance with prevailing securities issuance law and pursuant to articles 286, 297 and 511 of the Spanish Enterprise Act and article 319 of the Mercantile Register Regulations, to issue securities subject to the following conditions:*

- 1. Securities to be issued.- The securities encompassed by this authorisation consist of any type of security (especially including debentures, bonds and warrants) exchangeable for or conferring the right to acquire shares outstanding in the Company or other companies and/or convertible for or conferring the right to subscribe to newly issued shares in the Company.*
- 2. Term of delegation.- The securities subject to this authorisation may be issued on one or more occasions and when required, within the maximum term of five (5) years from the date on which this resolution is approved.*
- 3. Maximum amount authorised.- The maximum total nominal amount of the securities issue or issues approved under this authorisation will be eight hundred million euros (€800 million) or its equivalent in any other currency. In order to calculate the aforementioned limit, in the case of warrants the calculation will take into account the sum of the premiums and strike prices of warrants of emissions approved under this authorisation.*
- 4. Scope of authorisation.- This authorisation extends as broadly as is required under law, to the establishment of the various aspects and conditions of each issue, including but not limited to, par value, issue price, redemption price, currency of issue, interest rate, amortisation, anti-dilution mechanisms, subordination clauses, issue guarantees, place of issuance, placement and underwriting regime, listing, applicable legislation, etc., and generally, any other condition of issuance, and, where appropriate, to the appointment of a*

*commissioner and approval of the basic rules governing legal relations between the Company and the syndicate of holders of the securities to be issued, where necessary or upon the constitution of said syndicate.*

5. *Terms and conditions for conversion and/or exchange.*- *In the case of convertible and/or exchangeable securities issues (including bonds and debentures), and for the purposes of determining the terms and conditions of the conversion and/or exchange, the following criteria are hereby agreed:*

- a) *The securities issued subject to this agreement will be exchangeable for shares of the Company or of any other company, whether a Group company or not, and/or convertible for newly issued Company shares, according to a conversion ratio and/or fixed or variable exchange ratio, determined or determinable, with powers granted to the Board of Directors to determine whether they are convertible and/or exchangeable, as well as to determine if they are necessarily or voluntarily convertible and/or exchangeable, and, in the event that they are voluntarily, at the discretion of their holder and/or the Company, at the intervals and time period established in the issue agreement, which must not exceed 30 days from the date of the issue.*
- b) *The Board of Directors may also decide, in the event that the issue is convertible and exchangeable, that the issuer reserves the right to choose at any time between converting the securities into new shares or exchanging them for outstanding Company shares, determining the type of shares to deliver at the time of the conversion or exchange, and may also opt to deliver a combination of newly issued shares and pre-existing shares in the Company, or to liquidate the difference in cash.*
- c) *For the purposes of conversion and/or exchange, securities will be valued at nominal value and shares at a fixed price to be established in the Board of Directors' agreement which makes use of this authorisation, or at a variable price to be determined on the date or dates stipulated in the Board of Directors' agreement, based on the trading price of Company shares in the stock market on the date or dates or period or periods used as a reference in the aforementioned agreement.*
- d) *In the event that a fixed conversion and/or exchange ratio is established, the fixed price may not be lower than the arithmetic average of the closing prices of Company shares on the Spanish stock market during a period to be determined by the Board of Directors but no longer than three months and no shorter than five calendar days prior to the date of adoption of the securities issue resolution by the Board of Directors, or of the date of disbursement of the securities by subscribers, with a premium or, where appropriate, a discount on said price per share, though in the event that a discount over the price per share is offered, the discount may not exceed 25% of the value of the shares used as a reference, pursuant to the aforementioned conditions.*
- e) *In the event that a fixed conversion and/or exchange rate is established, the share price used for the conversion/exchange will be the arithmetic average of the closing prices of Company shares on the Spanish stock market during a period to be*

*determined by the Board of Directors, but no longer than three months nor shorter than five calendar days prior to the conversion and/or exchange date, with a premium or, where appropriate, a discount over said price per share. The premium or discount may be different for each conversion and/or exchange date for each issue (or, where appropriate, each tranche of an issue), though in the event of a discount on the price per share, the discount may not exceed 25% of the share value used as a reference, in accordance with the foregoing.*

f) *Under no circumstances will the share price used to calculate the conversion of the securities into shares be lower than par value. In accordance with article 415 of the Enterprise Act, bonds may not be converted into shares when the bonds' nominal value is lower than that of the shares.*

6. *Terms and conditions for exercising warrants and other similar securities.*- *In the case of warrant issues, the following criteria are hereby agreed:*

a) *In the case of warrants, to which the Enterprise Act's stipulations governing convertible bonds will apply, for the purpose of determining the terms and conditions of their exercise, the Board of Directors is empowered to decide, in the broadest terms, the applicable criteria for exercising rights of subscription or acquisition of Company shares or of another company, within the Group or not, or a combination of any of them, deriving from the securities of this type issued in accordance with the authorisation granted herein, with such emissions subject to the criteria outlined in the preceding section 5, with any needed adaptations for the purpose of making them compatible with prevailing legal and financial legislation governing this type of security.*

b) *The aforementioned criteria will apply, mutatis mutandi, and insofar as they are applicable, to the issuance of securities (including warrants) exchangeable for shares in other companies. Where appropriate, references to the Spanish Continuous Market (electronic trading system) will be understood to mean the markets on which the shares are listed.*

7. *Other powers delegated.*- *This authorisation by the Board of Directors also includes, but is not limited to, the delegation in the Board of the following powers:*

a) *The Board of Directors is empowered, pursuant to article 511 of the Enterprise Act, to withdraw, fully or partially, shareholders' pre-emptive subscription rights, in compliance with the legal requirements established for this purpose.*

b) *The powers to increase capital in the amount necessary to fulfil requests for conversion and/or exercise of pre-emptive subscription rights for shares. These powers may only be exercised so long as the capital increase the Board of Directors approves for the issue of convertible securities or warrants does not exceed the unused limit authorised in each case by the General Shareholders' Meeting in accordance with article 297.1.b) of the Enterprise Act. This authorisation to increase capital includes issuing and putting into circulation, one or several times, the shares necessary to execute the conversion and/or exercise pre-emptive subscription rights, and encompasses powers to revise the text of the articles of the Bylaws concerning*

*share capital and number of shares and, where appropriate, to cancel any portion of the capital increase that was not needed for the conversion and/or exercise of pre-emptive subscription rights.*

- c) *Powers to develop and specify the terms and conditions of the conversion, exchange and/or exercise of pre-emptive subscription rights and/or share purchase, deriving from the securities to be issued, in accordance with the criteria established in the preceding sections 5 and 6.*
- d) *The delegation of powers in the Board of Directors includes the broadest powers which under law may be necessary for the interpretation, application, execution and development of agreements for the issuance of convertible or exchangeable securities or warrants, one or several times, and the necessary capital increase, and likewise grants powers to introduce rectifications or additions to said agreements where necessary, as well as to fulfil any necessary procedures legally required to successfully execute them, with the Board empowered to rectify omissions or defects of said agreements, as indicated by any authorities, civil servants or bodies, whether Spanish or foreign, and is likewise empowered to adopt any agreements and issue any public or private documents as it deems necessary or appropriate for the adoption of the preceding agreements on the issuance of convertible or exchangeable securities or warrants and the related capital increase, receiving verbal or written assessment from the Mercantile Registrar, or, in general, from any other relevant Spanish or foreign authorities, civil servants or institutions.*

8. Admission to trading.- *The Company will carry out the necessary formalities to ensure that the convertible and/or exchangeable debentures and/or bonds or warrants issued by the Company under this power are listed for trading on official or unofficial, organised or over-the-counter Spanish or foreign secondary markets, thereby authorising the Board of Directors to act accordingly to list the instruments before the competent authorities and bodies of the various Spanish and international securities markets.*

*It is hereby expressly noted that, in the event of a subsequent request to delist the shares, the delisting process will require the same formalities as the request for listing, insofar as applicable, and, in such event, the interests of shareholders or holders of the securities who oppose or do not vote in favour of the agreement will be ensured, in the terms set forth in prevailing legislation. It is hereby expressly stated that the Company is subject to prevailing and future securities market legislation, especially regarding trading, continued trading and withdrawal from trading.*

9. Guarantee of issues of convertible and/or exchangeable securities or warrants by subsidiaries.- *The Board of Directors is also empowered to guarantee on behalf of the Company, within the limits stipulated in the foregoing, any new issues of convertible and/or exchangeable securities or warrants which, while this agreement remains in force, are carried out by its subsidiaries.*



10. Right to delegate.- *The Board of Directors is expressly authorised to delegate, pursuant to article 249 of the Spanish Enterprise Act, the powers mentioned in this agreement.”*

#### **EIGHTH RESOLUTION:**

Authorisation to Board of Directors, with the express right to further delegate these powers, for a period of five years to issue fixed-income securities (especially including debentures, bonds and promissory notes) and preferential shares, and to guarantee any issues of these securities by other Group companies.

*“Authorise the Board of Directors, in accordance with prevailing securities issuance law and pursuant to article 319 of the Mercantile Register Regulations, to issue securities subject to the following conditions:*

1. Securities to be issued.- *The securities subject to this authorisation are fixed income securities of any kind (specifically including debentures, bonds and promissory notes) and preferential shares.*

2. Term of delegation.- *The securities subject to this authorisation may be issued on one or more occasions and when required, within the maximum term of five (5) years from the date on which this resolution is approved.*

3. Maximum amount of the issue.-

a) *The maximum total amount of the issue or issues of fixed income securities (bonds or simple debentures or similar fixed income securities), excluding promissory notes, and preferential shares, approved under this authorisation will be **eight hundred million euros (€800 million)** or its equivalent in any other currency.*

b) *The outstanding balance of promissory notes issued in accordance with this authorisation will under no circumstances exceed **eight hundred (800) million euros** or its equivalent in any other currency. This limit is independent of the stipulations in section a) above.*

4. Scope of authorisation.- *This authorisation extends as broadly as is required under law, to the establishment of the various aspects and conditions of each issue, including but not limited to, par value, issue price, redemption price, currency of issue, interest rate, amortisation, anti-dilution mechanisms, subordination clauses, issue guarantees, place of issuance, placement and underwriting regime, listing, applicable legislation, etc., and generally, any other condition of issuance, and, where appropriate, to the appointment of a commissioner and approval of the basic rules governing legal relations between the Company and the syndicate of holders of the securities to be issued, where necessary or upon the constitution of said syndicate.*

5. Admission to trading.- *The Company will carry out the necessary formalities to ensure that the securities issued by the Company under this power are listed for trading on official or unofficial, organised or over-the-counter Spanish or foreign secondary markets, thereby authorising the Board of Directors to act accordingly to list the instruments before*

*the competent authorities and bodies of the various Spanish and international securities markets.*

*It is hereby expressly noted that, in the event of a subsequent request to delist the shares, the delisting process will require the same formalities as the request for listing, insofar as applicable, and, in such event, the interests of shareholders or holders who oppose or do not vote in favour of the agreement will be ensured, in the terms set forth in prevailing legislation. It is hereby expressly stated that the Company is subject to prevailing and future securities market legislation, especially regarding trading, continued trading and withdrawal from trading.*

6. *Guarantee of issues of securities by subsidiaries.*- *The Board of Directors is also empowered to guarantee on behalf of the Company, within the limits stipulated in the foregoing, any new issues of securities which, while this agreement remains in force, are carried out by its subsidiaries.*

7. *Right to delegate.*- *The Board of Directors is expressly authorised to delegate, pursuant to article 249 of the Spanish Enterprise Act, the powers mentioned in this agreement.”*

#### **NINTH RESOLUTION:**

Authorisation to the Board of Directors, with the express right to further delegate these powers, to apply for the listing or delisting of shares and any other marketable securities that have been issued or will be issued in the future for trading on official or unofficial, organised or over-the-counter Spanish or foreign secondary markets, and authorisation to adopt the resolutions required to ensure the Company’s outstanding shares or other securities remain listed.

*“Authorise the Board of Directors, to apply for the listing or delisting of shares, debentures, bonds, promissory notes, preferential shares and any other marketable securities that have been issued or will be issued by the Company in the future for trading on official or unofficial, organised or over-the-counter Spanish or foreign secondary markets, pursuant to prevailing legislation, especially concerning trading, continued trading and withdrawal from trading and in strict compliance with applicable law, and authorisation to adopt the resolutions required to amortise or include in book-entry form the securities issued by the Company, as required to ensure that the Company's outstanding shares or other securities may be and remain listed, issuing such public or private documents as may be necessary to this end.*

*Expressly authorise the Board of Directors to delegate, pursuant to article 249 of the Spanish Enterprise Act, the powers enumerated in this agreement.”*

## **TENTH RESOLUTION:**

### **Amendment of Company By-laws:**

**10.1.- Amendment of Articles 1 (Company name), 10 (Capital calls), 11 (Capital increase), 13 (Waiving pre-emptive subscription rights), 14 (Capital reduction), 15 (Enforced redemption), 19 (Allocation of powers), 20 (Principles of operation), 23 (Convening Shareholders' Meeting), 35 (Adoption of resolutions), 38 (Management and oversight powers), 42 (Qualitative composition of the Board), 56 (General obligations of board members), 57 (Annual corporate governance report), 63 (Dissolution of the company) and 66 (Unforeseen assets and liabilities), to replace those referring to the former Spanish Companies Act for those referring to the Law in general or the Spanish Enterprise Act in particular; to adapt the Company Bylaws to the provisions set out in By this Act; and to improve the wording of certain sections from a technical perspective.**

*“Amendment of Articles 1 (Company name), 10 (Capital calls), 11 (Capital increase), 13 (Waiving pre-emptive subscription rights), 14 (Capital reduction), 15 (Enforced redemption), 19 (Allocation of powers), 20 (Principles of operation), 23 (Convening Shareholders' Meeting), 35 (Adoption of resolutions), 38 (Management and oversight powers), 42 (Qualitative composition of the Board), 56 (General obligations of board members), 57 (Annual corporate governance report), 63 (Dissolution of the company) and 66 (Unforeseen assets and liabilities), which henceforth will read as follows:*

**“Article 1. Corporate name**

*The Company's name is Sacyr Vallehermoso, S.A. and it is governed by these Bylaws, by the Spanish Enterprise Act and other applicable legislation.”*

**“Article 10. Unpaid portion of equity investments**

- 1. In the event of the existence of partly-paid shares, the shareholder must pay the remainder at a time to be determined by the Board of Directors, but within a maximum of five years from the date upon which the capital increase is approved.*
- 2. The form of payment and other details of payment will follow the provisions of the capital increase agreement, which may stipulate that payment be in either cash or non-cash form.*

**“Article 11. Capital increase**

- 1. The capital increase may be carried out by issuing new shares or increasing the par value of old shares, and, in both cases, may be executed for cash or in kind against company assets, including the issuance of loans against the company, or through the use of available earnings or reserves. The capital increase may be conducted partly via cash and partly charged to available reserves.*

2. *In the event that the capital increase is not fully subscribed within the established deadline, the share capital will be increased in the amount effectively subscribed, unless as otherwise provided for in the agreement.”*

**“Article 13. Waiving pre-emptive subscription rights**

1. *The shareholders in general meeting, or the Board of Directors as duly empowered, resolving to issue new ordinary or preference shares for cash may decide to waive some or all of existing shareholders’ pre-emptive subscription rights in the Company’s best interests in the instances and manner provided for in prevailing legislation.*
2. *Specifically, the Company’s interest may be used to justify the elimination of pre-emptive subscription rights when so doing is necessary to facilitate: (i) the acquisition by the Company of assets (including shares or shareholdings in companies) considered advisable for pursuit of its corporate object; (ii) the placement of new shares in markets which provide access to financing sources; (iii) fund-raising using placement techniques based on book-building methods designed to maximise the issue price; (iv) an investment by a strategic or technology partner; and (v) in general, execution of any transaction considered in the Company’s interest.*
3. *Pre-emptive subscription rights will not apply to existing shareholders when shares are issued to cover the conversion of bonds into shares, to absorb another company or part of the assets spun off from another company or when the consideration for the newly issued shares is non-monetary, including when the Company launches a public tender offer for securities and some or all of the consideration offered is in the form of shares to be issued by the Company.”*

**“Article 14. Capital reduction**

1. *The capital increase may be carried out by reducing the shares' par value, through a buyback or grouping them for exchange, and may be for the purpose of returning payments, cancelling the obligation to make outstanding payments, to create or increase reserves or to restore a balance between the company's share capital and equity.*
2. *In the case of a capital reduction to return payments, payments to shareholders may be fully or partially in kind, so long as the transaction fulfils the provisions of section 5 of article 61.*

**“Article 15. Enforced redemption**

1. *The shareholders in general meeting may, in accordance with the provisions of the Enterprise Act, resolve to reduce share capital in order to cancel a specific group of shares, so long as the group of shares to be cancelled can be defined as a function of substantive, homogenous and non-discriminatory criteria. In this instance, the proposal must be approved at the General Meeting and by*

*shareholders representing the majority of both the shares to be cancelled and those to remain outstanding.*

2. *The amount to be paid by the Company may not be less than the arithmetic average of the closing list prices of the Company's shares on the Continuous Stock Market during the month preceding the date the capital reduction resolution was taken."*

**"Article 19. Allocation of powers**

1. *The Company's management bodies are the General Shareholders' Meeting, the Board of Directors and its steering committees.*
2. *The General Shareholders' Meeting is empowered to decide all matters attributed to it under law or pursuant to the By-laws. Specifically, and merely for illustrative purposes, its remit encompasses:*
  - a) *Authorisation of annual financial statements, distribution of earnings and approval of corporate management.*
  - b) *Appointment and destitution of administrators, liquidators and account auditors, as well as the performance of the social act of responsibility directed towards any of them.*
  - c) *Amendment of the Company Bylaws.*
  - d) *Increase and reduction of social capital.*
  - e) *Restriction or withdrawal of pre-emptive subscription rights.*
  - f) *The transformation, merger, spin-off or global transfer of assets and liabilities and the transfer of the registered offices to a foreign country.*
  - g) *Dissolution of the company.*
  - h) *Approval of a final liquidation balance sheet.*
  - i) *Any other matters stipulated by law or the Company's Bylaws.*
3. *Any powers not conferred by law or the Bylaws to the General Shareholders' Meeting will devolve to the management body."*

**"Article 20. Principles of operation**

1. *All Company bodies must work to safeguard the corporate interest, understood to mean shareholders' common interest.*
2. *The Company's management bodies must dispense equal treatment to partners to which identical conditions apply."*

**“Article 23. Convening General Shareholders' Meeting**

1. *General Shareholders' Meetings must be formally convened by the Company's Board of Directors.*
2. *The Board of Directors may call a general meeting whenever it is deemed in the Company's interest but it must call one in the following instances: (a) in the circumstances set forth in section two of the preceding article; (b) when shareholders representing at least five per cent of share capital so request; and (c) if a public tender offer is presented for the Company's shares. In the latter instance, the meeting must be called as quickly as possible in order to inform shareholders of the details of the offer and give them the opportunity to coordinate their response.*
3. *General meetings must be convened by means of a call notice published in the Official Journal of the Register of Companies and on the Company's website at least one month prior to the call date, unless the law requires a longer notice period. The call notice published on the Company's website must be accessible to visitors to the site at least until the date of the General Shareholders' Meeting.*
4. *The call notice must state the date of first call and list, clearly and concisely, all agenda items. It may also state the date of the meeting at potential second call. A period of at least twenty-four hours must elapse between the first and second call times.*
5. *The call notice must be signed by whoever is empowered to certify the Company's resolutions.*
6. *Shareholders representing at least five per cent of the Company's share capital may request publication, where legally admissible, of a general meeting call notice addendum to add one or more items to the agenda. If so requesting, the applicant must state the number of shares it represents through ownership or proxy. This right must be exercised by means of certifiable notification at the Company's registered business address within five days of publication of the meeting call notice.*

*The addendum must be published at least 15 days before the date scheduled for the meeting. Failure to publish the addendum within the legally prescribed term shall render the meeting call null and void.*
7. *Shareholders' meetings attended by all shareholders ('Universal' meetings) are governed by the Enterprise Act.”*

**“Article 35. Adoption of resolutions**

1. *The Shareholders' Meeting, whether ordinary or extraordinary, may only adopt resolutions with the majority votes stipulated by law of shareholders in attendance or voting by proxy. Each voting share in attendance or attending by proxy at the General Meeting will confer the right to one vote.*

2. *The majority required to approve a resolution will require the favourable vote of more than half of the voting shares in attendance or attending by proxy at the General Meeting. Exceptions are cases in which prevailing legislation or the Company's Bylaws provide for a higher majority.”*

**“Article 38. Management and oversight powers**

1. *In all areas except those reserved for shareholders at the General Meeting, the Board of Directors is the Company’s main decision-making body.*
2. *The Board of Directors has all the powers needed to govern the Company. However, as a general rule, it delegates the management of ordinary business activities in its steering committees and the management team, concentrating its efforts on its general oversight duties.*
3. *It may not delegate powers legally or institutionally reserved to the Board or those necessary for the responsible exercise of its general supervisory role.*

*To this end, the Board takes direct responsibility for the following duties: (a) approving the Company’s general strategies; (b) appointing, compensating and removing as necessary the members of SyV’s Executive Committee; (c) approving treasury share policy; (d) supervising the monitoring and evaluation of management performance; (e) supervising the identification of the Company’s main risk factors and monitoring of the proper internal control and information systems; (f) supervising disclosure and communication policies vis-à-vis shareholders, the markets and the general public; (g) approving transactions entailing the disposal and acquisition of significant Company assets and large-scale corporate transactions; (h) managing potential conflicts of interest, direct or otherwise, between directors and the Company’s interest, in accordance with articles 226 to 229 of Spain’s Enterprise Act; and, (i) those specifically set down in the Bylaws and Board Regulations.*

**“Article 42. Qualitative composition of the Board**

1. *In exercising its powers to make proposals to the General Meeting, the Board of Directors shall attempt to ensure that external and non-executive directors constitute the majority of members relative to executive directors.*
2. *The General Meeting shall also endeavour to include among the Board’s external directors holders of significant and stable shareholdings in the Company, or representatives thereof, (proprietary directors) and persons of recognised prestige who are not related to the executive team or significant shareholders (independent directors). If it is in the company’s interests, the General Meeting may also appoint or ratify the appointment of external directors who do not qualify as either proprietary or independent directors.*

3. *The foregoing does not affect the sovereignty of the General Meeting, nor erode the efficacy of the proportional system, which will be obligatory when shares are grouped in accordance with prevailing legislation.”*

**“Article 56. General obligations of board members**

1. *Pursuant to articles 38 and 40, the board member’s role is to steer and oversee the management of the company for the purpose of maximising its value in order to benefit shareholders.*
2. *In performing their duties, directors must act diligently as upstanding businesspeople and are specifically obliged to: (a) continuously dedicate the time and effort required to address the issues faced by the Company’s management, ensure they have sufficient information for this task and put in the work and attendance that they consider appropriate; (b) be informed and adequately prepared for the meetings of the Board and the consultative committees to which they may belong; (c) actively participate in the activities of the Board and its committees and in any assigned tasks, ensuring that they are duly informed, expressing an opinion and encouraging other members to adopt the position they deem to be in the Company’s best interest. In the event that a board member, for justifiable reasons, cannot attend meetings which he/she is requested to attend, the member will give instructions to the board member who will represent him/her, where appropriate; (d) oppose resolutions that contradict the law, the Bylaws or the Company’s interests and request that their stance be recorded in the meeting minutes when deemed in the Company’s best interest; (e) perform any specific task assigned to them by the Board of Directors that reasonably fall within the scope of their commitment duty; (f) encourage investigation into any potential irregularity in the Company’s management which may have come to their attention; (g) get the persons empowered to call an extraordinary Board meeting to call one or to add any matters of concern to the agenda for the next scheduled meeting.*
3. *Each board member is likewise obliged to discharge his/her duties as a loyal representative in defence of the corporate interest, complying with the responsibilities imposed under law and the Bylaws. This duty of loyalty obliges directors to put the interests of the Company ahead of their own and specifically to comply with rules contained in articles 227 et seq. of the Enterprise Act.*
4. *The Board of Directors Regulations shall set out the specific obligations and commitments of directors, in respect of confidentiality, non-competition, and loyalty, with particular attention to situations of conflict of interest, and shall establish the appropriate procedures and guarantees to authorise or permit certain situations in accordance with article 227 and subsequent articles of the Enterprise Act.”*

**“Article 57. Annual corporate governance report**

1. *The Board of Directors, subject to a report from the Audit Committee, shall draft an annual corporate governance report with, at minimum, the content required under applicable legislation.*



2. *The annual corporate governance report shall be distributed as provided for under law.”*

**“Article 63.      *Dissolution of the company***

*The Company may be dissolved for the reasons and purposes established under current legislation.”*

**“Article 66.      *Unforeseen assets and liabilities***

1. *After the Company is dissolved,, if other corporate property appears the liquidators must assign to former shareholders any additional monies due them, following conversion of the assets into cash where necessary. Six months after the liquidators are called to perform the duties stipulated in the preceding paragraph, if former shareholders have not been awarded the additional sum, or, upon failure of the liquidators to perform their work,, any interested party may ask the Mercantile Judge in the jurisdiction of the Company's last registered address to appoint an individual to replace them in the discharge of their duties.*
2. *Former shareholders will be jointly and severally liable for unpaid corporate liabilities to the limit of what they would have received as a settlement sum, without prejudice to the responsibility of the liquidators in case of mens rea or fault.*
3. *In order to ensure compliance with regulations concerning legal acts prior to the company's withdrawal from registers, or, where necessary, the previous liquidators may formalise legal acts in the name of the dissolved company subsequent to the dissolution of said company from the official register. In the absence of liquidators, any interested party may seek to have a settlement formalised by a Mercantile Judge in the jurisdiction of the Company's last registered address.*

**10.2.- Amendment of Article 2 (Corporate purpose) to include a new corporate purpose.**

*“Amend article 2 (Corporate purpose) by adding a new activity to the list of activities within the corporate purpose, which will henceforth read as follows:*

**“Article 2.      *Corporate purpose***

1. *The Company's corporate purpose is:*
  - a) *The acquisition, refurbishment or construction of urban properties for lease or sale.*
  - b) *The purchase and sale of land, building rights and urban development lots, as well as management of zoning, land transformation, development of urban infrastructure, division into lots, subdivision, compensation etc. and, in some cases, subsequent construction of buildings, participating in the whole urban development process through to the construction stage.*

- c) *The administration, conservation, maintenance and, in general, all activities related to the provision of urban facilities and services and the associated land, infrastructure, civil engineering works and other urban facilities provided for by local planning stipulations, either on the Company's own behalf or for third parties, and the provision of architecture, engineering and urban development services relating to the urban lots or their ownership.*
- d) *The provision and sale of all types of services and supplies relating to communications, IT and power distribution networks, as well as collaboration in the marketing and brokerage of insurance, security services and transport services, either on the Company's own behalf or for third parties.*
- e) *The management and administration of shopping centres, senior citizen homes and centres, hotels and tourist and student accommodation.*
- f) *The contracting, management and execution of all kinds of construction work in the widest sense, both public and private, including roads, water supply projects, railways, port facilities, buildings, environmental projects and in general all activities related to construction.*
- g) *The purchase, administration, management, development, rental, or any other method, as well as the construction, purchase and sale of all types of properties, and consultancy in any of the above activities.*
- h) *The development of all types of engineering and architectural projects, as well as the management, oversight and advisory services on execution of all types of construction work.*
- i) *The acquisition, holding, exploitation, administration and sale of all kinds of securities on the Company's own behalf, except for those activities reserved by law, and specifically by the Spanish Securities Market Act, to other types of entities.*
- j) *The management of public water supply, sewer systems and sewage works.*
- k) *The management of all types of concessions and administrative permits for projects, services and endeavours awarded to the Company by the central, regional, provincial and local governments, and investment in the capital of companies responsible for such concessions.*
- l) *The operation of mines and quarries and sale of the products extracted.*
- m) *The manufacture, purchase, sale, import, export and distribution of equipment, and the installation of construction equipment and materials or other items for use in construction.*
- n) *The acquisition, exploitation in any form, sale, transfer and disposal, of all types of intellectual property and patents, and other kinds of industrial property.*

- o) *The manufacture and sale of prefabricated and other products related to construction.*
  - p) *The management of Spanish and foreign subsidiaries and holdings in companies, by means of participation in the governing bodies. The strategic and administrative management of subsidiaries in Spain and abroad, together with consultancy on legal, financial, accounting, labour, budgetary, financial, fiscal, commercial and computer-related issues of these companies.*
  - q) *The exploitation, import, export, transport, distribution sale and commercialisation of raw materials of any type, whether vegetable or mineral.*
2. *The Company may carry out any of the activities comprising its corporate purpose directly or indirectly through equity investments in other entities or companies."*

**10.3.- Amendment of Article 41 (*Quantitative composition of the Board*) to increase the maximum number of members from 18 to 19.**

*"Amend article 41 (*Quantitative composition of the Board*) which will henceforth read as follows:*

***"Article 41. Quantitative composition of the Board***

- 1. *The Board of Directors will be composed of a minimum of nine and a maximum of 20 members.*
- 2. *The General Shareholders' Meeting determines the number of Board members. To this end, it will directly proceed to set said number of Board members by express agreement or, indirectly, by provision of vacancies or the appointment of new Board members, within the maximum threshold established in the preceding section."*

**10.4.- Amendment of Article 47 (*Board committees*) to include reference to the advisory committees.**

*"Amend article 47 (*Board Committees*) which henceforth will read as follows:*

***"Article 47. Board committees and advisory committees***

- 1. *The Board of Directors may delegate, on a permanent basis, all or some of its powers in an Executive Committee and/or in one or several Board members/delegates, and determine the members of the Board who will preside over said committee, in addition to the manner in which the powers granted shall be exercised.*
- 2. *The permanent delegation of powers and decisions on which Board members should hold such positions will require an affirmative vote of two-thirds of the*

*number of Board members decided by the General Meeting, even if said number has not been fully reached or if vacancies subsequently occur.*

3. *The Board of Directors must create an Audit Committee and an Appointment and Remuneration Committee and may create other advisory committees or boards, with powers to be decided by the Board of Directors.*

**10.5.- Amendment of Articles 48 (Audit Committee), 59 (Preparation of annual accounts) and 60 (Verification of annual accounts) to bring them into line with the amendment made to Law 12/2010, of 30 June, which modifies inter alia, the Audit Law and the Securities Market Act, and to improve the wording of certain sections from a technical perspective.**

***“Amend article 48 (Audit Committee), 59 (Preparation of annual accounts) and 60 (Verification of annual accounts) which henceforth will read as follows:***

***“Article 48. Audit Committee***

1. *The Board of Directors shall constitute an Audit Committee comprising at least three and no more than five directors, appointed by the Board of Directors. At least the majority of Audit Committee members shall be non-executive directors of the Board of Directors. At least one of the members must be an independent Director and appointed with regard to his/her knowledge and background in accounting, auditing or both.*
2. *The Chairman of the Audit Committee shall be selected from the non-executive directors and must be substituted every four years, with scope for re-election one year after the term of original office.*

*The Audit Committee must appoint a Secretary, who need not be a member of the Committee.*

3. *The Audit Committee is tasked with at minimum the following duties:*
  - a) *Reporting to the General Meeting on matters raised by shareholders on issues within the remit of the Committee.*
  - b) *Proposing the appointment of the statutory auditor, in keeping with applicable law, to the Board of Directors, for submission to the General Meeting.*
  - c) *Tracking the effectiveness of the Company’s internal control, internal audit and risk management systems, and discussing with the auditor any significant weaknesses which may have been discovered in the internal control system during the audit.*
  - d) *Monitoring the preparation and presentation of regulated financial information.*

- e) *Liaising with the statutory auditor to receive information on any issues which could jeopardise its independence and any other issues relating to the performance of the audit, and generally receiving information and complying with the guidelines on information and communication flows provided for in prevailing auditing legislation and accounting standard. The Audit Committee must receive annual written confirmation from the auditor of their independence from the Company and any companies linked directly or indirectly to the Company, and of the information provided by these to such bodies concerning any other services provided to these firms by the aforementioned auditor, or by persons or entities linked to the auditor, pursuant to prevailing regulations on audit reporting.*
  - f) *On an annual basis, and prior to issuing an audit report on financial statements, issuing a report containing an opinion on the auditor's independence. This report must address the provision of additional services discussed in the preceding point.*
  - g) *Reporting on transactions involving SyV directors that entail or could entail conflicts of interest whenever deemed necessary by the Executive Committee.*
  - h) *Any other duties attributed to it by virtue of these Bylaws or the Board Regulations.*
4. *The Audit Committee shall meet at least once a quarter or as often as is deemed necessary. Meetings must be called by the Chairman either on his/her own initiative or at the request of three members of the Audit or Executive Committee.*
  5. *The quorum for an Audit Committee meeting is attendance in person or by valid proxy of at least half of its members. Resolutions will be carried by the majority vote of members in attendance. In the event of a tie, the Chairman has the casting vote. Unless otherwise stipulated, the Audit Committee is empowered to make proposals and respond to consultations.*
  6. *The Board of Directors may enact and further develop the above-listed rules in its own Regulations, as provided for in the Company's Bylaws and prevailing legislation."*

**“Article 59. Preparation of annual accounts**

1. *The fiscal year begins on 1 January and ends on 31 December of each year.*
2. *No later than 31 March of each year, the Board of Directors must approve the financial statements, management report, proposed distribution of profits and, where appropriate, the consolidated financial statements and management report.*
3. *The Board of Directors will seek to draw up the accounts in such a way that there is no room for a qualified opinion from the auditor. However, when the Board believes it must keep to its criterion, it will publicly explain the contents and scope of the discrepancy.*

**“Article 60. Verification of annual accounts**

1. *The Company’s annual financial statements and management report, as well as its consolidated annual financial statements and management report, must be reviewed by the auditor as provided by law.*
2. *The auditor will be appointed by the General Meeting before the end of the year to be audited, for an initial period of no less than three years and no longer than nine years from the date of commencement of the first year to be audited, and may be reappointed by the General Meeting for periods not to exceed three years each following the initial period.*
3. *The Audit Committee should authorise any contracts between the Company and the auditor which are outside the remit of the audit itself. The aforementioned authorisation shall not be granted if the Audit Committee considers that the mentioned contracts might reasonably compromise the auditor’s independence in the performance of the audit.*

*The Board of Directors will include in the annual report information on (i) services beyond those involved in the audit rendered by the auditor or by any other firm with which the auditor has a significant relationship, and (ii) total fees paid for said services.”*

**ELEVENTH RESOLUTION:**

**Amendment of General Shareholders’ Meeting Regulations:** Elimination of the Preamble and amendment of Articles 3 (*Functions of the Meeting*), 4 (*Convening of the Meeting*), 5 (*Announcement of the Call to Meeting*), 8 (*Proxy voting*), 14 (*Opening of the General Meeting*), 20 (*Proposals*), 23 (*Voting on proposals*) and 24 (*Adoption of resolutions and announcement of result*) to replace references to the former Spanish Companies Act with references to the Law or to the Spanish Enterprise Act; to adapt these regulations to the amendments to the Company Bylaws; and to improve the wording of certain sections from a technical perspective.

*Elimination of the Preamble and amendment of Articles 3 (Functions of the Meeting), 4 (Convening of the Meeting), 5 (Announcement of the Call to Meeting), 8 (Proxy voting), 14 (Opening of the General Meeting), 20 (Proposals), 23 (Voting on proposals) and 24 (Adoption of resolutions and announcement of result), which henceforth will read as follows:.*

**“Article 3. Functions of the Meeting**

*The General Shareholders’ Meeting shall decide on matters within its purview, as provided for in law and the Bylaws, and is specifically tasked to approve the following resolutions:*

1. *Authorisation of annual financial statements, distribution of earnings and approval of corporate management.*
2. *Appointment and destitution of administrators, liquidators and account auditors, as well as the performance of the social act of responsibility directed towards any of them.*
3. *Capital increases and reductions, delegating in the Board of Directors, where appropriate, and within the time periods stipulated by law, the powers to set the date or dates of execution and other conditions of the transaction. It may also delegate in the Board of Directors the powers to increase share capital pursuant to article 297.1 of the Enterprise Act, and to withdraw shareholders' pre-emptive subscription rights, in accordance with article 506 of the act.*
4. *The issuance of bonds and debentures, empowering the Board of Directors to issue bonds and debentures, convertible or non-convertible, in the terms provided by the act, the suspension or limitation of pre-emptive subscription rights for new shares or convertible bonds and debentures and empowering the Board of Directors with said powers, the transfer of the Company's registered business address to a foreign address, and authorisation to carry out a buyback of Company shares. .*
5. *Amendment of Company Bylaws.*
6. *Dissolution, merger, spin-off and transformation of the Company and global transfer of assets and liabilities.*
7. *Approval of a final liquidation balance sheet.*
8. *Approval of General Shareholders' Meeting Regulations.*
9. *Authorisation for fixed and annual compensation for members of the Board of Directors.*
10. *Any other delegation of powers to the Board in the terms permissible under law.*
11. *Any other decision placed within its purview either by law or by the Company Bylaws."*

**“Article 4. Convening General Shareholders' Meeting**

*Without prejudice to current legislation governing the Annual Shareholders' Meeting and legal notice of meetings, the Board of Directors is empowered to convene the Annual Shareholders' Meeting as follows:*

- a) *On a date which enables the event to be held in the first six months of the year, in the case of the Ordinary General Shareholders' Meeting.*
- b) *Whenever the Board of Directors deems it necessary to the corporate interest, in the case of Extraordinary General Shareholders' meetings.*

- c) *In the event that shareholders representing at least five per cent of share capital submit a notarised request for a meeting, specifying the issues to be addressed. In the latter case, the Meeting must be convened on a date within the time period provided for by law.*
- d) *When a takeover bid for the Company's shares is launched. In this instance, the meeting must be called as quickly as possible in order to inform shareholders of the details of the offer and give them the opportunity to coordinate their response.*

*If the Ordinary General Shareholders Meeting is not convened within the statutory period, or if, after shareholders representing at least 5% of share capital request a meeting but the meeting is not convened, the Board may convene one at the request of any shareholder, in the first instance, while a Mercantile Judge in the jurisdiction of the Company's registered address may do so at the request of the group of shareholders, in the second instance.*

*The Ordinary General Shareholders Meeting will be considered valid even if it is convened or held outside of the statutory period."*

***"Article 5. Announcement of the call to meeting***

- 1. *General meetings must be convened by means of a call notice published in the Official Journal of the Register of Companies and on the Company's website at least one month prior to the meeting date, unless the law requires a longer notice period. The call notice published on the Company's website must be accessible to visitors to the site at least until the date of the General Shareholders' Meeting. The notice must also be submitted to the National Securities Market Commission as a significant event. The Board of Directors may also publish notices in other media at its discretion in order to generate more publicity for the call to meeting.*
- 2. *The call to meeting must contain, among other details, information on the following:*
  - a) *The location, date and time of the meeting's first call and, where appropriate, second call. A period of at least 24 hours must elapse between the first and second call times.*
  - b) *The meeting's agenda, drafted clearly and concisely, which must outline all matters to be addressed during the event.*
  - c) *The requirements for eligibility to attend the Meeting and details of how attendees may prove their eligibility before the Company.*
  - d) *Where admissible, guidance on the permitted mechanisms of proxy or remote voting using written or electronic means.*



- e) *The right of any shareholder entitled to attend the general meeting to be represented by another person even if this person is not a shareholder, and the requirements and procedures necessary to exercise said right.*
  - f) *The right to obtain information to assist shareholders, and how to exercise it.*
3. *Shareholders representing at least five per cent of the Company's share capital may request publication, where legally admissible, of a general meeting call notice addendum to add one or more items to the agenda. If so requesting, the applicant must state the number of shares it represents through ownership or proxy. This right must be exercised by means of certifiable notification at the Company's registered business address within five days of publication of the meeting call notice.*
  4. *The addendum must be published at least 15 days before the date scheduled for the meeting.*
  5. *Failure to publish the addendum within the legally prescribed term shall render the meeting call null and void.*
  6. *In accordance with prevailing legislation, when the General Meeting is convened, the Company will establish an Online Shareholder Forum on its website. The Online Shareholder Forum will be used for the legal purpose and under the guarantees and terms of use established by the Company. Duly authorised shareholders and groups of shareholders can use this feature. The Board of Directors may enact and further develop the aforementioned rules, determining the procedures, time periods and other conditions of operation of the Online Shareholder Forum."*

**“Article 8. Proxy voting**

1. *Shareholders entitled to attend shall be allowed to appoint another person as their proxy, even if the appointed person is not a shareholder, in accordance with the Bylaws and these Regulations.*
2. *Without prejudice to current legislation, proxy representation must be granted specifically for each General Shareholders' Meeting in writing or electronically.*
3. *When a proxy representation is conferred or communicated to the Company by correspondence, it is only considered valid if it is sent:*
  - a) *By post, sending to the Company the attendance card and proxy form completed and signed or through another written medium that, in the judgment of the Board of Directors authorized in a prior resolution to that effect, allows due verification of the identity of the shareholder assigning the proxy and the proxy being delegated, or*
  - b) *By e-mail to the Company, attaching the attendance card and delegation in electronic format and giving the details of the representation attributed and the identity of the person represented. This document will include the*

*recognized electronic signature of the shareholder represented or some other type of identification which is considered valid by the Board, under a prior agreement adopted to this end, and gives adequate guarantees of authenticity and identification of the shareholder represented.*

*In order to be valid, the representation conferred or notified by any of the aforementioned methods of correspondence must be received by the Company before midnight on the third day prior to the first date established for the Meeting. The Board may establish shorter notice, announcing this on the website.*

4. *If representation is obtained through public application, the rules will be those stipulated in the Bylaws and applicable legislation. Specifically, the document, in written or electronic form, which certifies proxy representation should contain or attach the agenda, application forms containing instructions on the right to vote and an indication of how the proxy will vote in the event that no precise instructions are provided, subject, in this case, to prevailing legislation.*
5. *Proxy representation is always revocable. When the represented shareholder attends the Meeting in person, any proxy representation delegated by the shareholder is revoked, regardless of the date of the proxy delegation.*

**“Article 14. Opening of the General Meeting**

*The General Meeting will be validly constituted at first call as long as shareholders, both present and voting by proxy, in attendance represent the minimum percentage of voting rights required in accordance with current legislation and the Bylaws. In the absence of sufficient quorum, the General Meeting will be held on the date of second call.”*

**“Article 20. Proposals**

*Without prejudice to the possibility of submitting proposals for resolutions under the provisions of the Act prior to the notice of the General Meeting, shareholders may, during the round of speeches, submit proposals for resolutions to the General Meeting concerning any item on the agenda that does not legally require advance notice to shareholders within the call to meeting, and regarding any item on which the Meeting may debate and vote without the need for its inclusion on the agenda.*

**“Article 23. Voting on proposals.**

1. *Following comments by shareholders, and after answers have been provided in accordance with these Regulations, proposed resolutions on agenda items or any other matters which by legal mandate are not required to be listed on the agenda, including, where appropriate, items proposed by shareholders during the meeting, will be submitted to a vote.*

2. *The Secretary will consider published the proposed resolutions whose drafts are included in the meeting notice on the Company's website, as long as they were provided to shareholders at the beginning of the meeting.*
3. *Exceptions are cases in which, for any or all of the proposals, any shareholder requests, or it is otherwise deemed appropriate by the Chairman, in which case the item will be read. In any event, attendees will be notified of the agenda item to which the proposed resolution subject to vote pertains. If, as provided for in the Bylaws, proposed resolutions on several items on the agenda are jointly submitted to a vote, the text of the Bylaws shall apply.*
5. *The process for approving resolutions will follow the agenda contained in the meeting notice. First, the proposed resolutions developed by the Board of Directors will be submitted to a vote, followed, where appropriate, by proposed resolutions lodged by other parties in the order submitted. When a proposed resolution is approved, any prior resolutions governing the same matter that may be incompatible with the new resolution will automatically lapse, with no need for a vote on their withdrawal.*

*In the event of proposed resolutions not on the agenda involving matters about which the Meeting may decide, the Chairman will decide the order in which they will be subject to a vote.*

6. *Without prejudice to the use of alternative systems to be decided by the Chairman, voting on proposed resolutions, discussed above, will be carried out in accordance with the following procedures:*
  - a) *Voting on proposed resolutions concerning items on the agenda will be carried out via a system of negative deduction. To such end, votes pertaining to all shares in attendance or voting by proxy will be considered votes in favour, with the exception of:*
    - *Votes corresponding to shares whose owners vote against, leave their ballots blank or explicitly abstain, through the means of communication discussed above.*
    - *Votes corresponding to shares whose owners or proxy vote against, cast a blank vote or abstain, via communication or notice of the vote or abstention to the notary, or, in the absence of a notary, to the Secretary (or his assistants), to be duly noted in the record.*
    - *Votes corresponding to shares whose owners or proxy leave the meeting prior to a vote on the proposed resolution, and who duly note said departure before the notary, or, in the absence of a notary, to the Secretary or his assistants.*
  - b) *Voting on proposed resolutions concerning items not on the agenda will be carried out via a system of negative deduction. To this end, votes against will be considered to be those votes corresponding to shares present or represented by proxy, except (i) votes corresponding to shares whose*

*holders or proxies state that they are voting in favour, casting a blank vote or abstaining, via communication or expression of their vote or abstention to the notary, or, in his absence, the Secretary or his assistants, to be duly noted in the record and (ii) votes corresponding to shares whose holders or proxies leave the meeting prior to a vote on the proposed resolution, and who duly note said departure before the notary, or, in the absence of a notary, to the Secretary or his assistants.*

- c) *Communications or statements to the notary (or, in the absence of a notary, the Secretary or his assistants) as provided for in the preceding paragraphs a) and b) on votes or abstentions may be made individually for each of the proposed resolutions or jointly for several or all of them, informing the notary (or, in the absence of a notary, the Secretary or his staff) of the identity and status -- whether shareholder or proxy -- of the party issuing the statements, the number of shares involved and the voting decision, or, where applicable, the abstention. When votes are received by any other permitted means of remote communication, they shall be delivered to the notary, or, in his absence, to the Secretary or his staff, at the beginning of the General Meeting so that they may be entered into the record.*
- d) *For the adoption of agreements involving matters not included in the agenda, no shares shall be considered to be in attendance or represented by proxy if their holders participate in the Meeting via remote voting mechanisms, unless said holders grant proxy representation for voting on said points in accordance with prevailing regulations. To approve any of the resolutions addressed in article 514 of the Securities Market Act, no shares shall be considered to be in attendance or represented by proxy if they do not confer the right to vote in accordance with said precept, unless the terms allow the sub-delegation or alternative delegation in a proxy who is authorised to exercise voting rights.”*

**“Article 24. Adoption of resolutions and announcement of result.**

1. *The Shareholders’ Meeting, whether ordinary or extraordinary, may only adopt resolutions with the majority votes stipulated by law of shareholders in attendance or voting by proxy. Each voting share in attendance or attending by proxy at the General Meeting will confer the right to one vote.*

*The majority required to approve a resolution will require the favourable vote of more than half of the voting shares in attendance or attending by proxy at the General Meeting. Exceptions are cases in which prevailing legislation or the Company's Bylaws provide for a higher majority. For the resolutions mentioned in paragraph (d) of section 4 of the preceding article 23, as provided for in that paragraph, shares not considered to be present or attending by proxy will be excluded from the basis for calculating the aforementioned majority..*

2. *The Chairman will declare the resolutions approved upon receiving notice of sufficient votes in favour, without prejudice to any statements shareholders may*

*issue to the Notary, or, in his absence, to the Secretary or the Secretary's staff, with regard to their choice of vote.*

3. *The terms of this article are understood to be without prejudice to instances in which prevailing law requires a favourable vote of all or of one category of shareholders to enact certain resolutions, or when the law prevents their approval in instances in which shareholders representing a certain percentage of share capital oppose said measures.*

#### **TWELFTH RESOLUTION:**

##### **Nomination and, where applicable, ratification and re-election of Directors:**

##### **a) Nomination of Rimefor Nuevo Milenio, S.L. as proprietary Board member of the Company.**

*“Appoint Rimefor Nuevo Milenio, S.L. as a proprietary Board member of the Company, for a statutory period of five years.”*

##### **b) Nomination of Beta Asociados, S.L. as proprietary Board member of the Company.**

*“Appoint Beta Asociados, S.L. as a proprietary Board member of the Company, for a statutory period of five years.”*

##### **c) Nomination of Grupo Corporativo Fuertes, S.L. as proprietary Board member of the Company.**

*“Appoint Grupo Corporativo Fuertes, S.L. as a proprietary Board member of the Company, for a statutory period of five years.”*

##### **d) Nomination of Cymofag, S.L. as proprietary Board member of the Company.**

*“Appoint Cymofag, S.L. as a proprietary Board member of the Company, for a statutory period of five years.”*

##### **e) Nomination of Mr Javier Adroher Biosca as proprietary Board member of the Company.**

*“Appoint Mr Javier Adroher Biosca as a proprietary Board member of the Company, for a statutory period of five years.”*

A proposal will also be made for approval by the General Shareholders' Meeting for the ratification and re-election for the statutory period of five years of Board members appointed by

co-option from the time the General Shareholders' Meeting is called until immediately following the meeting.

**Establishment of the number of board members.**

*“Following the above resolutions, set at 19 the number of Board members on the Company's Board of Directors,, within the minimum and maximum limits established by the Bylaws.”*

**THIRTEENTH RESOLUTION:**

**Capital increase against reserves in the amount of €12,429,366, through the issuance of 12,429,366 shares, each with par value of 1 euro, and subsequent amendment to the Bylaws; request for admission to trading on official stock markets of the new shares to be issued, and delegation of powers in the Board of Directors, with the right to further delegate said powers.**

1. *Capital increase against reserves.- Increase capital by €12,429,366, through the issue of 12,429,366 new shares of the same class and series and with the same rights as shares currently in circulation. The par value of these shares is one (1) euro each, and the shares will be represented through book entries. Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), and its associated bodies, is charged with keeping the records, subject to prevailing legislation. The new shares in the Company will grant their holders from the date of issue the same rights as carried by those already outstanding.*

*The capital increase will be carried out fully against reserve accounts or sub-accounts to be determined by the Board of Directors or the body or individual empowered to do so.*

2. *Balance of operation.- The balance used to calculate the transaction is for the year ended 31 December 2010, duly audited by the Company's auditor, and approved by the General Shareholders' Meeting pursuant to item 1 of the agenda.*
3. *Free allocation of new shares.- The new shares will be allotted free of charge to Company shareholders in the proportion of one (1) new share for every thirty-three (33) rights of free allocation. Each Company share will confer one right of free allocation.*

*Rights of free allocation will be assigned to Company shareholders who are duly certified as such in the accounting registers of IBERCLEAR at the close of the date of publication of the capital increase announcement in the Official Journal of the Register of Companies.*

*Rights of free allocation of new shares will be transferrable. Rights of free allocation may be traded on the market during a period to be decided by the Board of Directors, at least 15 calendar days from the publication of the capital increase announcement in the Official Journal of The Register of Companies.*

*Following the period of trading for the rights of free allocation, any unassigned new shares will be registered and held in trust on behalf of holders who can prove their ownership. After three years, any shares still unassigned may be sold pursuant to article 117 of the Enterprise Act, at shareholders' risk. Cash proceeds from the aforementioned sale will be held on behalf of interested parties in a manner stipulated by applicable law.*

- 4. New shares' admission to trading.- Request the admission to trading of the new shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, through the Sistema de Interconexión Bursátil (Continuous Market), and carry out and complete any necessary or appropriate processes and actions, and submit the required documents to the relevant foreign securities market authorities in markets in which the Company's shares are traded at the time of the capital increase, for admission to trading of the newly issued shares resulting from the capital increase, expressly noting that the Company is subject to prevailing and potential securities market law, especially regarding trading, continued trading and withdrawal from trading.*

*It is hereby expressly noted that, in the event of a subsequent request to delist the shares, the delisting process will require the formalities stipulated by law, insofar as applicable, and, in such event, the interests of shareholders or holders of the securities who oppose or do not vote in favour of the agreement will be ensured, in the terms set forth in the Enterprise Act, the Securities Market Law and similar provisions of current or potential legislation.*

- 5. Delegation of powers to the Board of Directors.- It is hereby resolved to delegate to the Board of Directors, in accordance with the provisions of article 297.1.a) of the Enterprise Act, with express powers to further delegate, the responsibility for setting a date for executing the capital increase, within a maximum period of one (1) year from the date it is approved, and to amend article 5 of the Bylaws to include the new share capital amount and number of shares in which it is divided.*

*It is hereby resolved to empower the Board of Directors, likewise in accordance with the provisions of article 297.1.a) of the Enterprise Act, and similarly with express powers to further delegate, the responsibility for establishing the conditions of the capital increase in any matters not addressed in the preceding paragraphs. In particular, specific powers conferred to the Board include but are not limited or restricted to the following:*

- (i) Determine the specific reserve account or sub-account against which the capital increase will be charged.*

- (ii) *Give up any number of the Company's free allocation rights as may be required to square the proportion of free allocation of the new shares.*
- (iii) *Establish the duration of the trading period for rights of free allocation, at least 15 calendar days from the publication of the capital increase announcement in the Official Journal of The Register of Companies.*
- (iv) *Declare the share capital increase completed and closed at the end of the aforementioned allocation period.*
- (v) *Draft, sign and submit the proper documentation of the capital increase to the National Securities Market Commission or any other relevant authorities, and issue any additional information or supplementary documentation said authorities may require.*
- (vi) *Draft, sign and submit the necessary or opportune documentation for the issuance and admission to trading of the new shares to the National Securities Market Commission or any other relevant authorities, assuming responsibility for the content of said documentation, and draft, sign and deliver any supplementary documentation as may be required, requesting its verification and registry.*
- (vii) *Perform any action, issue any statement or conduct any business relating to the National Securities Market Commission, Securities Market Companies, IBERCLEAR, the Directorate General of the Treasury and Financial Policy, and any other body or entity or public or private registry, Spanish or foreign, to obtain authorisation, verification and subsequent execution of the issuance and admission to trading of the new shares.*
- (viii) *Draft and publish whatever announcements necessary or appropriate to this end.*
- (ix) *Draft, sign, issue and, where appropriate, certify, any documentation relating to the share issue.*
- (x) *Take all necessary steps to ensure that the new shares stemming from the capital increase are filed with IBERCLEAR accounting registers and admitted to trading on the relevant stock exchanges.*
- (xi) *And, in general, conduct any business as necessary or appropriate to carry out and formalise the capital increase, in dealings with any public or private, Spanish or foreign, entities or bodies, including clarification, addition or correction of defects or omissions that could hinder or impede the preceding resolutions from being fully executed.*

**FOURTEENTH RESOLUTION:**

The Board of Directors is authorised to interpret, clarify, supplement, execute, and carry out the resolutions agreed by the Shareholders' Meeting. In addition, the Board is authorised to delegate



the powers conferred by the Shareholders' Meeting, as well as draft a publicly notarised deed confirming these agreements.

*“Without prejudice to any delegation of powers outlined in the above resolutions, the Board of Directors of the Company is empowered to delegate powers interchangeably in the Chairman, CEO, Secretary and Vice-Secretary of the Board of Directors, in the broadest sense necessary under law to complete, execute and develop, or technically amend, where appropriate, any previous resolutions, as well as to correct omissions or errors therein, and their interpretation, jointly conferring to the aforementioned persons the powers to issue the appropriate public documents containing any approved resolutions, with the broadest powers to take whatever action necessary, issuing any necessary documents to ensure the filing, albeit partial, in the Mercantile Register of the aforementioned resolutions and, specifically:*

- a) Correct, clarify, specify or complete resolutions approved by the present General Shareholders' Meeting, or future resolutions, in any texts or documents issued as part of their implementation, specifically, with regard to omissions, defects or errors that may in form or substance impede access to these resolutions and their consequences on the part of the Mercantile Register, Property Register, Industrial Property Register and any other bodies.*
- b) Carry out any actions or legal processes necessary or appropriate to implement the resolutions approved at this General Shareholders' Meeting, and provide any public or private documents to any government or private entities as may be considered necessary or appropriate to ensure that these resolutions take effect.*
- c) Delegate to one or several of the members all or any of the powers deemed appropriate among those pertaining to the Board of Directors and any powers expressly attributed to them by the present General Shareholders' Meeting, jointly and severally.*
- d) In sum, determine all other circumstances as may be necessary, enacting and implementing any necessary resolutions, drafting required documents and carrying out all appropriate procedures, complying with any requirements as needed under the law to ensure the full implementation of matters approved by the General Shareholders' Meeting.”*

## **FIFTEENTH RESOLUTION**

### **Advisory vote on the 2011 annual report of the Board of Directors on the Directors' remuneration policy**

*“Approve an advisory vote on the 2011 annual report of the Board of Directors on the Directors' remuneration policy.”*