

**MOTIONS TO BE PUT BEFORE THE ORDINARY GENERAL
SHAREHOLDERS' MEETING OF
SACYR, S.A. CONVENED FOR 12 AND 13 JUNE 2019, ON FIRST AND
SECOND CALLS, RESPECTIVELY**

APPROVED BY THE BOARD OF DIRECTORS OF
SACYR, S.A

CORRESPONDING TO THE FIRST AGENDA ITEM:

Examination and approval, where appropriate, of the individual financial statements and management report of Sacyr, S.A., and the consolidated financial statements and management report of Sacyr, S.A. and its subsidiaries, for the year ended 31 December 2018.

PROPOSED RESOLUTION:

“Approval of the individual financial statements and management report of Sacyr, S.A., and the consolidated financial statements and management report of Sacyr, S.A. and its subsidiaries for the year ended 31 December 2018, which were prepared by the Board of Directors at its meeting on 28 March 2019”

CORRESPONDING TO THE SECOND AGENDA ITEM:

Approval, where appropriate, of the non-financial information statement for the fiscal year ending 31 December 2018.

PROPOSED RESOLUTION:

“Approval of the non-financial information statement included in the consolidated management report for the Company and its subsidiaries for the fiscal year ending 31 December 2018, as prepared by the Board of Directors.”

CORRESPONDING TO THE THIRD AGENDA ITEM:

Examination and approval, where appropriate, of the proposed application of profits for the fiscal year ended 31 December 2018.

PROPOSED RESOLUTION:

“Approval, pursuant to the Board of Directors’ proposal, of the distribution of profit for 2018, equal to a loss of EUR 170,913,251.63, as follows:

To loss carry forwards: EUR 170,913,251.63.”

CORRESPONDING TO THE FOURTH AGENDA ITEM:

Examination and approval, where appropriate, of the Board of Directors' management during the year ended 31 December 2018.

PROPOSED RESOLUTION:

“Approval of the management exercised by the Board of Directors of Sacyr, S.A. in the execution of its duties during the year ended 31 December 2018.”

CORRESPONDING TO THE FIFTH AGENDA ITEM:

Five. Ratification, appointment and re-election of directors, as appropriate. Fixing the number of directors.

5.1. Re-election of Mr. Manuel Manrique Cecilia as a director, classified as an executive director.

PROPOSED RESOLUTION:

"In accordance with the proposal of the Board of Directors, after a report from its Appointments and Remuneration Committee, re-election, and to the extent necessary appointment, for the term specified in the articles, Mr. Manuel Manrique Cecilia, whose information appears in the Madrid Commercial Registry, as a director, with the classification or category of executive director."

5.2. Re-election of Ms. Isabel Martín Castella as a director, classified as an independent director.

PROPOSED RESOLUTION:

"In accordance with the proposal of the Board of Directors, re-election, and to the extent necessary appointment, for the term specified in the articles, Ms. Isabel Martín Castella, whose information appears in the Madrid Commercial Registry, as a director, with the classification or category of independent director."

5.3. Re-election of Prilou, S.L. as a director, classified as a proprietary director.

PROPOSED RESOLUTION:

"In accordance with the proposal of the Board of Directors, after a report from its Appointments and Remuneration Committee, re-election, and to the extent necessary appointment, for the term specified in the articles, "Prilou, S.L.", whose information appears in the Madrid Commercial Registry, as a director, with the classification or category of proprietary director, indicating that Mr. José Manuel Loureda Mantiñán shall continue to act as its individual representative, whose information appears in the Madrid Commercial Registry."

5.4. Ratification of the appointment by co-option and re-election of Ms. Elena Jiménez de Andrade Astorqui as a director, classified as an independent director.

PROPOSED RESOLUTION:

"In accordance with the proposal of the Appointments and Remuneration Committee, submitted by the Board of Directors: (i) ratification of appointment of the director Ms. Elena Jiménez de Andrade Astorqui, appointed by co-optation by resolution of the Board of Directors passed on 9 May 2019 and whose information appears in the Commercial Registry, as well as (ii) re-election, and to the extent necessary appointment, for the four-year term specified in the bylaws, Ms. Elena Jiménez de Andrade Astorqui, whose information appears in the Commercial Registry, as a director, with the classification or category of independent director."

5.5. Fixing of the number of members of the Board of Directors.

PROPOSED RESOLUTION:

"Fixing the number of members of the Board of Directors at thirteen (13)."

CORRESPONDING TO THE SIXTH AGENDA ITEM:

Review and, where appropriate, approve, for the purposes of Article 529 novodecies of the Amended and Restated Text of the Spanish Corporate Enterprises Act , a new Directors' Compensation Policy for 2020, 2021 and 2022.

PROPOSED RESOLUTION:

"For the purposes set forth in article 529 novodecies of the Amended and Restated Text of the Corporate Enterprises Act, and after a favourable report from the Appointments and Remuneration Committee, approval of the Directors' Compensation Policy of Sacyr, SA, applicable in 2020, 2021 and 2022, which is described and included in the document named "Sacyr-2020-2022 Directors' Compensation Policy," which, together with the mandatory report of the Appointments and Remuneration Committee, has been made available to the shareholders at the time of the call of the General Shareholders' Meeting and the text of which is attached hereto as a Schedule for better identification."

Schedule
Directors' Compensation Policy

PROPOSED DIRECTORS' COMPENSATION POLICY OF SACYR, S.A. FOR 2020–2022
AS PREPARED BY THE BOARD OF DIRECTORS

1. INTRODUCTION

The validity of the prior "Directors' Compensation Policy of Sacyr, S.A." approved by the General Meeting held in June 2016 expires in 2019.

The Board of Directors, following a specific report issued by the Appointments and Remuneration Committee, agreed at its meeting of 28 March 2019, to submit a substantiated proposal to the General Meeting to be held in June 2019, for approval of a new "Directors' Compensation Policy of Sacyr, SA", with validity covering 2020, 2021 and 2022.

2. APPLICABLE LAW

Notwithstanding any other rules which may be applicable:

2.1 Spanish Corporate Enterprises Act

Article **217(2)** provides as follows:

2. The established remuneration system shall identify the compensation item(s) to be received by the directors in their capacity as such, which may include, inter alia, one or more of the following:

- a) fixed compensation,*
- b) attendance allowances,*
- c) share in profits,*
- d) variable distribution with general base indicators or parameters,*
- e) compensation in shares or linked to share performance,*
- f) remuneration for removal provided removal was not based on any breach of the director's duties, and*
- g) such savings or pension schemes as are deemed to be appropriate.*

3. The maximum annual compensation for the directors as a whole based on their condition as such shall be approved by the general meeting and shall remain in effect until such time as an amendment thereto may be approved. Unless the general meeting determines otherwise, the distribution of the remuneration between the different managers will be established by agreement of the latter and, in the case of the board of directors, by decision thereof, which must take into consideration the powers and duties attributed to each director.

4. Director remuneration will in any case be reasonably proportional to the company's importance, its economic situation from time to time and the market standards of comparable companies. The remuneration system established will aim at encouraging the company's profitability and long-term sustainability, including the necessary precautions to avoid undertaking excessive risks and rewarding unfavourable results.

Article **249(3) and (4)** provides as follows:

3. When a member of the board of directors is appointed as CEO or is otherwise granted executive powers by virtue of any other title, an agreement shall be

executed between said individual and the company, which shall be previously approved by the board of directors by favourable vote of two thirds of its members. The director involved shall not attend the deliberations and shall not participate in the vote. The approved agreement shall be attached as an annex to the meeting minutes.

4. All remuneration which the director may receive for carrying out executive duties, including, as the case may be, potential compensation for early termination of said duties and all amounts to be paid by the company for insurance premiums or savings scheme contributions, shall be specified in the contract. The director may not receive compensation for carrying out executive duties whose amount or description is not provided for in the contract.

The contract shall comply with the compensation policy approved by, as the case may be, the general meeting.

Article **529 quindecies**, **paragraph 3.g**, provides as follows:

3. The Appointments and Remuneration Committee shall have, at least, the following functions, notwithstanding those attributed thereto by law, the bylaws or the board of directors regulations:

(...)

g) To propose a policy to the board of directors for the compensation of directors and general managers or other individuals carrying out senior management duties under the direct supervision of the board, the executive committees or CEOs, as well as for individual compensation and other contractual terms of the executive directors, ensuring that such terms are complied with.

Article **529 sexdecies** provides as follows:

Unless otherwise provided in the bylaws, the position of director of a listed company will necessarily be remunerated.

Article **529 septdecies** provides as follows:

1. The policy for compensation of the directors in their condition as such shall, under the remuneration scheme provided for in the bylaws, include the maximum amount of annual remuneration to be paid to the directors as a whole in their condition as such.

2. The determination of the remuneration of each director in his condition as such shall correspond to the board of directors, which shall take into account for such purpose the powers and duties attributed to each director, membership on board committees and any other objective circumstances deemed relevant.

Article **529 octodecies** provides as follows:

1. All remuneration of directors for the performance of executive duties as provided for in contracts approved in accordance with Article 249 octodecies shall comply with the directors' compensation policy, which must specify the fixed annual compensation and any changes to such amount during the period referred to in the policy, the different parameters for setting variable components and the main terms and conditions of their contracts including, in particular, the term, severance payment for early removal or termination of the contractual relationship and

exclusivity clauses, post-contractual non-competition covenants and tenure or loyalty.

2. The board of directors will be responsible for establishing the amount of director compensation for the performance of executive duties, as well as for establishing the terms and conditions of their contracts with the company in accordance with the provisions of article 249.3 and with the directors' compensation policy approved by the general shareholders' meeting.

Article **529 novodecies** provides as follows:

1. The directors' compensation policy shall be adjusted to comply with the remuneration system provided for in the bylaws and shall be approved by the general shareholders' meeting at least every three years, as a separate agenda item.

2. Reasons must be given for the proposal of the policy for compensation of the board of directors, and a specific report of the appointment and remuneration committee must be attached. Both documents will be made available to the shareholders on the company's website from the call of the general meeting. The shareholders also may request that they be sent or delivered free of charge. The announcement of the call of the general meeting will mention this right.

3. The compensation policy for directors as so approved will remain in effect for the three years following the year of its approval by the general meeting. Any modification or replacement thereof during the aforesaid term will require prior approval of the general shareholders meeting using the procedure established for approval thereof.

4. If the annual report on director compensation is rejected by the advisory vote of the ordinary general meeting, the compensation policy applicable for the following year must be submitted to approval of the general meeting prior to its application, even if the aforesaid term of three years has not elapsed. This will not apply if the compensation policy is approved at the same ordinary general meeting.

5. Any compensation received by the directors for exercise or termination of their positions and for performance of executive functions will be in accordance with the directors' compensation policy in effect from time to time, with the exception of compensation expressly approved by the general shareholders' meeting.

2.2 Bylaws

Article **19, paragraph 2.c**, authorizes the General Shareholders' Meeting:

To approve the maximum remuneration of the directors as a whole, in their condition as such, and of their remuneration policy, under the terms established in the Corporate Enterprises Act.

Article **43** provides as follows:

1. The directors, as members of the Board of Directors, and in consideration for their supervision and decision-taking by majority, will have the right to receive remuneration from the Company, which will consist of a fixed annual amount. The overall amount of the aforesaid remuneration for the directors in their condition as such will be fixed by the General Meeting and will remain in force as long as the General Meeting does not change it.

The Board of Directors, within the limits established by the General Meeting, will fix every financial year the specific amount to be received by each director and, to do this, the Board will consider (i) the offices the directors hold within the Board; (ii) the characteristics of said offices; (iii) whether the directors belong or not, and their degree of responsibility, to any of the various committees.

2. The directors that, in addition to their supervision and decision-taking by majority, also perform executive functions in the company, regardless of their relationship with the Company, will have the right to receive, for said functions, on the terms as previously agreed by the Board of Directors, in addition to that referred to in section 1 above, and subject to the provisions in section 3 below, remuneration consisting of: (a) a fixed part, appropriate to the services and responsibilities undertaken; (b) a variable part, correlated to an indicator of the director's or the company's performance; (c) a welfare portion, which will take into account the appropriate welfare and insurance systems; and (d) compensation for (i) retirement not due to non-performance attributable to the director or (ii) removal for unexpected reasons outside the director's control, as well as (e) remuneration for exclusiveness, post-contractual non-competition and permanence or loyalty agreements.

As it has been mentioned before, the Board of Directors, upon report by the Appointments and Remuneration Committee, shall determine the remuneration items and their amounts for the executive directors, including, to the extent that is appropriate, the fixed portion, the configuration methods and the indicators for calculation of the variable part (which under no circumstances may consist of a share in the company's profits) and the welfare benefits and the compensation for retirement or removal for unexpected reason outside the director's control and the remuneration for exclusiveness, post-contractual non-competition and permanence or loyalty agreements. The directors affected will abstain from attending and participating in the deliberation in question. The Board will ensure that remuneration is guided by market conditions and will take into consideration the responsibility and degree of commitment involved in the role to be played by each director.

3. Remuneration of directors (executive and non-executive) must be submitted to the General Meeting under the terms and conditions established by the prevailing legislation in force from time to time.

4. The directors may also be paid with shares in the Company, share options or remuneration linked to their market quotation. This kind of remuneration must be agreed by the General Meeting. The General Meeting's agreement, if any, will express the number of shares to be allocated every year to this remuneration system, the price to exercise or the system to estimate the price to exercise the option rights, the value of the shares taken as benchmark and the duration of this remuneration plan.

5. The Company is authorised to take out civil liability insurance for its directors.

6. The Company will report the directors' remuneration under the terms and conditions established by the legislation in force from time to time.

2.3 Board Regulations

Article 17, paragraph 7(g) and (h), provides as follows:

7. Notwithstanding any other commitments attributed by applicable legislation in force, the Bylaws, Regulations or the Board, the Appointments and Remuneration Committee shall have the following duties:

(...)

To propose a policy to the Board of Directors for the compensation of Directors and general managers or other individuals carrying out senior management duties under the direct supervision of the Board, the executive committees or the Managing Directors, as well as for individual compensation and other contractual terms of the Executive Directors, ensuring that such terms are complied with.

h) To regularly review the remuneration programs and, in particular, the programs for senior management and the management team, assessing suitability and income.

Article **27** provides as follows:

1. Director remuneration shall be governed by the provisions of the Bylaws.
2. The Board must annually prepare and publish a report on compensation of directors including the contents required by applicable law in force from time to time.

2.4 Shareholder Meeting Regulations

Article **3** provides as follows:

The General Shareholders' Meeting will decide on the issues of its competence in accordance with the applicable regulations and the Corporate Bylaws, with the General Meeting in particular assuming the following agreements:

(...)

3. Approval of the maximum remuneration for the directors as a whole, in their condition as such, and of their remuneration policy, under the terms established in the Corporate Enterprises Act.

3. GENERAL PRINCIPLES OF THE DIRECTORS' COMPENSATION POLICY OF SACYR, S.A.

The Compensation Policy seeks to attract, retain and engage the best professionals, and to achieve the establishment of a stable and long-standing link between compensation, results and shareholders' interests, thereby securing the Company's long-term goals and including the necessary precautions to avoid excessive risk-taking and rewarding unfavourable results.

Additionally, factors such as the economic environment, the Company's profits/losses, the strategy of the group controlled by Sacyr (the "Group"), the legal requirements applicable to corporate enterprises, the best market practices and, to a large extent, the Good Corporate Governance Recommendations were all taken into account in designing the Compensation Policy.

In consideration of the foregoing, the compensation policy is based on the following principles and standards:

- Suitability: The compensation must be a suitable incentive for both assuming the tasks of the executive directors, and for attracting talent from out of the Company as regards the directors for their services as such, by providing adequate compensation for their dedication, qualifications and responsibilities assumed.

- Moderation: An effort has been made to ensure that compensation is in line with market standards. In this respect, to assist with this goal, the maximum limit of two million nine hundred thousand euros (€2,900,000) for all the directors for their services as such has been kept, as authorized by Sacyr's 2006 General Shareholders' Meeting and the previous Compensation Policy of Sacyr for 2016 approved by the 2016 General Shareholders' Meeting has been maintained.
- Proportion: Directors are compensated based on their responsibilities and functions on the Board of Directors such that those participating on Committees may receive higher compensation. Prudent management of risk inherent in compensation: Compensation of the directors in their condition as such is not directly linked to the company's results, thus preventing the conditioning of decision-making; all of the above in accordance with the Good Corporate Governance Recommendations.
- Transparency: The need for transparency in all processes pertaining to the proposal, design, establishment and approval of director compensation policies, frameworks and amounts is hereby established.
- Competitiveness: By reference to the market standards for firms in the industry in which the Company carries on its activity.

The Compensation Policy differentiates between the remuneration system applied to directors for their services as such and the system for those carrying out executive powers within the Company.

4. CHARACTERISTICS OF THE DIRECTORS' COMPENSATION POLICY

4.1. Characteristics of the directors' compensation policy for their services as such

As a result of applying the above principles, the remuneration system applicable to directors in their condition as such has the following characteristics:

It is aligned with corporate governance standards and with market conditions given the Company's characteristics and its activity.

When determining the structure and levels of director compensation, the Company analyses market compensation practices of other listed business groups and obtains advice from specialist consultants.

It acts as an incentive and rewards them for their dedication, qualification and responsibility, depending on the positions and responsibilities assumed by each director on the Board of Directors and on its Committees.

No variable remuneration system applies to the directors for their condition as such, in line with Good Corporate Governance Recommendations.

4.2. Characteristics of the compensation policy for executive directors

The compensation system for directors performing executive functions at the Company is based on the following general principles and criteria:

Any compensation for the performance of executive functions is above and beyond the compensation received by the director for his/her services as a Board member.

It takes market trends into account concerning the structure and overall amount of the compensation payments and is positioned with respect to the market in accordance with the Company's strategic planning, making it competitive regarding other comparable entities so as to be able to attract, retain and motivate the best professionals.

Variable compensation has greater weight within total compensation, since it includes mid- and long-term variable compensation, in line with Good Corporate Governance Recommendations.

The variable compensation amounts are linked to the achievement of mid- and long-term goals. This achieves the aim to reduce exposure to risk and adapt the compensation policy to the Company's long-term goals, values and interests.

Said compensation will under no circumstances threaten the ability of the Company to maintain its solvency and financial position.

The compensation policy is therefore geared towards creating value for the Company and, through prudent risk management and strict compliance with legislation in force on director compensation, seeks to be in line with its shareholders' interests. As part of the remuneration programs applicable to the senior management team, the principles and standards governing the compensation policy for executive directors are revised periodically by the Appointments and Remuneration Committee and by the Board of Directors to ensure the Company's compensation policy is in line with best practices and trends in the market, as provided in article 17.7.h) of Sacyr's Board Regulations.

5. COMPENSATION STRUCTURE FOR DIRECTORS IN THEIR CONDITION AS SUCH

In accordance with said article 43.1 of the Corporate Bylaws, the directors, in their condition as such, will have the right to receive remuneration from the Company, which will consist of a fixed annual amount. The overall amount of the aforesaid remuneration for the directors in their condition as such will be fixed by the General Meeting and will remain in force as long as the General Meeting does not change it. The directors' individual compensation is set by the Board of Directors within the overall amount resolved by the General Shareholders' Meeting.

Following approval of the Compensation Policy, the General Shareholders' Meeting determines the maximum amount of annual compensation payable to the directors in their condition as such. Furthermore, the Board of Directors will be responsible for adjusting and allocating the compensation of Board members for their services as such, and which may not be the same for every member. For these purposes, the powers and duties conferred on each director, together with any other objective circumstances deemed relevant by the Board, will be taken into account and assessed.

The Board of Directors will be responsible, within the limit set by the General Shareholders' Meeting, for setting the exact amount to be received by each director, in relation to which they will take into account: (i) the positions held by the director on the Board of Directors; (ii) the characteristics of such positions; or (iii) their membership or non-membership, including degree of responsibility, on the various committees.

In accordance with article 529 septdecies of the Corporate Enterprises Act, it is hereby stated that the maximum annual compensation amount to be paid by Sacyr to the directors as a whole for their services as such will amount to two million nine hundred thousand euros (€2,900,000). This amount will remain in force until such time at the General Shareholders' Meeting agrees to modify such amount. As noted above, this amount will be individually distributed by the Board of Directors, who, within the limit established, will have to determine the amounts allocated to each director, taking into account the powers and duties conferred on each and reporting thereon in the Annual Report on Directors' Compensation, which will be submitted annually to an advisory vote of the General Shareholders' Meeting.

6. REMUNERATION STRUCTURE FOR EXECUTIVE DIRECTORS

As previously stated, article 43.2 of the Bylaws provides that any directors who, in addition to their supervision and collective decision tasks, perform executive functions at the Company will be entitled to receive for said functions, and on the terms previously agreed by the Board of Directors, an amount of compensation in addition to the items described in point 5 of the Compensation Policy.

In accordance with said article 43.2 of the Bylaws, the compensation system for the directors performing executive functions, for which authority is currently held by the Executive Chairman and Chief Executive Officer of Sacyr (the "CEO"), is comprised of the following elements:

- a) a fixed component adapted to the services and responsibilities assumed;
- b) a variable component linked to a performance indicator for the Executive Director or the Company;
- c) a benefits portion, which will contemplate the appropriate benefit and insurance systems;
- d) a severance payment in the event of (i) removal not due to a breach attributable to the CEO or (ii) dismissal for unforeseen reasons unrelated to the CEO, and
- e) an amount of compensation in respect of exclusivity, post-contractual non-compete and minimum stay or loyalty covenants.

Furthermore, the executive directors may also be paid with shares in the Company, share options or remuneration linked to their market value. This kind of remuneration must be agreed by the General Meeting.

It is incumbent on the Board of Directors to determine the CEO's compensation, together with the exact amount of each of the compensation items mentioned above, following a report by the Appointments and Remuneration Committee and in accordance with the terms and conditions provided in their contract. The Board of Directors will ensure that remuneration is guided by market conditions and will take into consideration the responsibility and degree of commitment involved in the role to be played by the CEO.

6.1 Fixed Compensation

The CEO's fixed compensation ("Base Fixed Compensation") for the performance of their executive functions reflects their level of responsibility at the Company, the duties attached to the position they perform and their professional experience, ensuring that the compensation is competitive with respect to the compensation paid in companies comparable to Sacyr.

In this regard, the CEO's annual Base Fixed Compensation is comprised of the following elements:

- Fixed monetary compensation for 2019 established at one million six hundred and eleven thousand euros (€1,611,000) by the Board of Directors, following the report of the Appointments and Remuneration Committee.
- The Board of Directors, following a report from the Appointments and Remuneration Committee, may revise said fixed monetary compensation in light of any or all of the following factors: (i) responsibilities of the CEO; (ii) remuneration practices of other listed business groups; (iii) Company performance; or (iv) pay bands as established in Sacyr's compensation policy for its management team. Any such revision will require a novation to their contract and must be reflected in the Annual Report on Compensation, which will be submitted annually to the General Shareholders' Meeting for an advisory vote. This revision will have to be done, where appropriate, within an upper limit for fixed annual monetary compensation of two million euros (€2,000,000 million).
- Lease instalment payments (under a finance lease or hybrid finance/operating lease) for the vehicle allocated to the CEO under the policy in force at the Company.

6.2 Variable Compensation

6.2.1 Annual Variable Compensation

Annual variable compensation is designed as a management program linked to targets through which exact targets are set, monitored and achieved. The program is an annual program aimed at rewarding performance and achievement of the Company's economic/financial and strategic targets.

Under this program, the CEO will be entitled to receive annual variable monetary compensation for the performance of his/her services in an amount to be determined each year by the Board of Directors, at the proposal of the Company's Appointments and Remuneration Committee, by

reference to the degree of achievement of the targets set by Sacyr's Board of Directors, within given upper and lower limits.

The base figure used to determine the variable compensation will be equal to 100 percent of the Base Fixed Compensation in force from time to time.

The exact amount of variable compensation will be determined annually by the Board of Directors by reference to the degree to which the CEO has achieved the targets set for their position; this may range between an upper limit of 130 percent of the Base Fixed Compensation and a lower limit of 70 percent of the Base Fixed Compensation. Notwithstanding the above, the Board of Directors, following a report by the Appointments and Remuneration Committee, may modify the maximum amount of annual variable compensation, which may not exceed, in any case, 200 percent of the Base Fixed Compensation.

In order to carry out that review the Board of Directors will take into account any or all of the following factors: (i) responsibilities of the CEO; (ii) remuneration practices of other listed business groups; (iii) Company performance; or (iv) pay bands as established in Sacyr's compensation policy for its management team.

Any such revision, where applicable, will require a novation to their contract and must be reflected in the Annual Report on Compensation, which will be submitted annually to the General Shareholders' Meeting for an advisory vote.

The Board of Directors will annually set the targets to which the variable annual compensation will be linked. If in any fiscal year no targets are set by the Board of Directors before the end of March, such targets will be considered to be as follows:

- a) evolution and general and reasonable course of the activity, business and value of the Company, in the macroeconomic context in which it takes place; as well as,
- b) adequate and correct performance by the CEO of its functions within the framework of said activity, business and value of the Company.

After the degree of achievement and the amount of the variable annual compensation has been determined by the Board of Directors, payment will take place on the required date under the Company's policies.

The Company may, subject to a prior agreement from the Appointments and Remuneration Committee, prepay annual variable compensation. Should it be determined, however, on the final pay-out date for the variable annual compensation, that the CEO has received a higher sum than the amount to which they are entitled, the CEO will be required to refund the excess variable annual compensation.

The contract with the CEO will set out the amount of variable annual compensation to which they would be entitled in the event of early termination of the contract.

6.2.2 Long-Term Variable Compensation

The Board of Directors has approved a bonus plan called the "2018-2020 Long-Term Bonus Plan" (the "Plan"). This plan is a variable compensation system, with non-vesting rights, targeted at the management team, and at the company's directors performing executive functions, with the following objectives: i) to incentivize key personnel and high potential employees of the Company, (ii) maximize the value of Sacyr and its subsidiaries, allowing the Management Team to benefit from the results of their management, linking it to the Strategic Plan, (iii) reward permanence of the eligible management team, and (iv) offer the eligible management team a compensation element in line with best market practices, and that supports implementation of a compensation policy that promote internal equity and external competitiveness. The Plan is conditioned on compliance with the EBITDA, BDI and Total Shareholder Return targets as established in the 2015-2020 Strategic Plan and in any other plans maintained by the company at any time, and on individual performance of the beneficiary. The Plan is for a total term of three years, although the term of any subsequently approved Long-Term Bonus Plans may have a term between two and four years.

The CEO's participation in that Plan, as set out in their contract, is subject to the General Shareholders' Meeting approving this Compensation Policy.

The Board of Directors, following a report from the Appointments and Remuneration Committee, will set the percentage of annual fixed salary to be earned annually by the CEO. The minimum threshold will be equal to 70 percent of the indicators and a maximum of 130 percent of the notional amount. Notwithstanding the above, the Board of Directors, following a report by the Appointments and Remuneration Committee, may modify said maximum threshold, without exceeding 200 percent.

The bonus is paid in full in cash on the date on which the Board of Directors, on a proposal by the Appointments and Remuneration Committee, determines said sum after analysing achievement of the targets.

The Board of Directors will have the power to deliver a portion of the payment in advance if a significant part of the parameters in the 2015-2020 Strategic Plan occur before the end of the period.

The Plan's Regulations set out the terms and conditions for payment of the incentive in cases of termination of the relationship between the beneficiary and Sacyr due to the death, permanent disability of the beneficiary, termination without due cause, and in the event of change of control.

The Board of Directors may approve in following years other long-term compensation plans with similar characteristics and amounts to the Plan, for a term of two to four years, following a report issued by the Appointments and Remuneration Committee and, where appropriate, submitted to the General Shareholders' Meeting for approval, if said compensation plans will be settled through delivery of shares or will be referenced to their market value, with the corresponding novation to his contract which will be reflected in the Annual Compensation Report to be annually

6.2.3 Extraordinary Variable Compensation

The CEO may be entitled to an extraordinary payment of variable compensation, if the Board of Directors, in the case of special transactions, determines compensation payments linked to specific and predetermined targets acting as incentives for the achievement of targets linked to those special transactions. Similarly, and on an exceptional basis, the Board of the Directors may determine a compensation payment by reference to special achievements which have made a decisive contribution to the Company's results.

Any extraordinary compensation payments which may be approved by the Board of Directors must be set out in the Annual Report on Directors' Compensation which is submitted annually for an advisory vote by the General Shareholders' Meeting.

6.3 Compensation in the form of benefits

The CEO's benefits will be comprised of the following elements:

- (i) health insurance policy with reimbursement of medical expenses for the CEO and his/her family members (spouse and dependent children).
- (ii) an annual contribution to an insurance policy, adapted to the legal nature of the CEO's relationship, to cover the contingencies of survival (the age at which they voluntarily enter legal retirement), death and permanent incapacity in any degree.

The beneficiary of said insurance policy must be the CEO or such other persons as designated by the CEO to receive the covered benefit in the event of death.

The annual contribution in respect of an insurance premium covering the contingency of survival (up to the age at which the CEO voluntarily enters legal retirement) will be a minimum of 25% and a maximum of 30% of the total compensation earned by the CEO in the immediately preceding year. The Board of Directors, following a favourable report of the Appointments and Remuneration Committee, will fix the amount of this annual contribution, considering business and share performance in the preceding fiscal year.

The target defined benefit to cover the contingencies of death and permanent incapacity will amount to 125% of the fixed monetary compensation from time to time. To cover this amount the Company will pay annually the amount of the insurance premium.

6.4 Severance payments in the event of removal

The contract between the CEO and the Company provides for a severance payment in the event of (i) removal not due to a breach attributable to the CEO or (ii) dismissal on unforeseen grounds unrelated to the CEO, amounting to a gross sum equal to up to 2.5 times the sum of the fixed and variable compensation received in the year immediately preceding the year in which the event that gave rise to such severance occurred.

6.5 Compensation for post-contractual non-compete covenants

In the two-year period following termination of the contract, unless said contract was terminated due to voluntary retirement, death or incapacity or resignation or removal on a ground attributable to the CEO, the CEO may receive a sum equal to 1.5 times the fixed compensation, received in the twelve months before the termination date of the contract, in respect of a post-contractual non-compete covenant, which will be paid to them in the non-compete period.

7. CONDITIONS OF THE CEO CONTRACT

The CEO's compensation, rights and obligations are determined in their contract, approved by the Board of Directors and having the following terms and conditions:

The contract with the CEO is for an indefinite term.

The CEO has agreed to provide full-time dedication to Sacyr and its group.

Thus, and unless the Company's Board of Directors expressly authorizes otherwise, the CEO may not work as an employee or on a self-employed basis, nor carry out any other profession or occupation, compensated or otherwise, which may (a) be detrimental to the performance of its duties or (b) take time or dedication away from the performance required in a position of the nature of his/her position.

Severance payment for removal: described in paragraph 6.4 of the Compensation Policy.

Post-contractual non-compete covenant: described in paragraph 6.5 of the Compensation Policy.

8. OTHER CONSIDERATIONS

In accordance with article 43.5 of the Bylaws, Sacyr has taken out a civil liability insurance policy for directors and senior managers of the Sacyr Group, which therefore covers the Company's directors and senior managers, including the CEO.

The compensation system described above for the CEO will apply to each and every Board member who may join the Board of Directors to perform executive functions in the term of this Compensation Policy, with any required adaptations that may be determined by the Appointments and Remuneration Committee and the Board of Directors according to the prevailing circumstances.

9. COMPENSATION POLICY TERM

In accordance with the provisions of article 529 novodecies, paragraph 3, the directors compensation policy shall remain in force for a period of three fiscal years following that in which said policy is approved by the 2019 general shareholders' meeting (i.e. the policy shall remain in effect for fiscal years 2020, 2021, and 2022).

Any amendment or substitution of the policy during said term shall require the prior approval of the general meeting in accordance with the procedures established for approval thereof.

CORRESPONDING TO THE SEVENTH AGENDA ITEM:

Advisory vote on the Annual Report on Director Compensation for 2018.

PROPOSED RESOLUTION:

“Approval, by advisory vote, of the Annual Report on Director Compensation for 2018.”

CORRESPONDING TO THE EIGHTH AGENDA ITEM:

Increases in share capital, charged to profits or reserves.

8.1 Approval of a first share capital increase, charged to profits or reserves (*“scrip dividend”*), for a maximum par value of up to EUR 18,000,000, through the issuance of new ordinary shares with a par value of one euro per share, with no share premium, of the same class and series as those currently in circulation, with the possibility of incomplete subscription/allocation; consequent amendment of the relevant article of the Company Bylaws. Commitment to purchase free allocation rights at a guaranteed fixed price. Application for admission to trading of any new shares issued. Delegation of powers to the Board of Directors, with express powers to delegate such authority, to establish the conditions for the share capital increase in any matters not provided for by this General Meeting, and to take any action necessary to carry out the capital increase and to amend the wording of article 5 of the Company Bylaws.

PROPOSED RESOLUTION:

“Approval of a share capital increase for a maximum nominal value of EUR 18,000,000, delegating powers to the Board of Directors to set the definitive amount of the capital increase within the specified limits, through the issuance of new shares charged to profits or reserves, in the terms and conditions described hereunder:

1. Amount of the capital increase

*The share capital increase (**Capital Increase**) shall be for a maximum nominal value of EUR 18,000,000, delegating powers to the Board of Directors, with express powers to delegate this authority, to set the definitive amount of the capital increase within the specified limit.*

2. Capital Increase format

*The Capital Increase will be carried out through the issuance and circulation of new Company shares, each for a nominal value of one euro, all of the same class and series as the existing shares, represented in book-entry form (the *“New Shares”*).*

3. **Free allocation rights**

Each Company share in circulation shall confer one free allocation right.

The number of free allocation rights required to receive one New Share (“FAR”) shall be the result of dividing (i) the number of Company shares in circulation at the date on which the Board of Directors, with powers to delegate further, resolves to execute the Capital Increase (“NSCirc”) by (ii) the number of new shares to be issued as part of the Capital Increase (“NNS”), rounded to the nearest whole number and if the result is not a whole number, rounding up to the next whole number when it is exactly half way between two whole numbers.

Where the number of free allocation rights (FAR) required for one new share multiplied by the number of new shares (NNS) to be issued is lower than the number of company shares in circulation (NSCirc) at the Capital Increase execution date, the Company (or any group company owning shares in the Company) shall waive a number of free allocation rights equal to the difference between the two figures exclusively for the purpose of ensuring that the number of New Shares is a whole number and not a fraction.

Once the Board of Directors, with express powers to delegate such authority, agrees to execute the Capital Increase and has fixed the relevant dates, the free allocation rights shall be assigned to those persons registered in the accounting registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) at the date specified in accordance with applicable prevailing legislation.

Holders of bonds convertible into Sacyr shares in circulation at the date on which the Board of Directors, with express powers to delegate such authority, resolves to carry out the Capital Increase, shall not be eligible to receive free allocation rights for New Shares, without prejudice to any amendments made to the conversion ratio defined for each issue.

Free allocation rights (i) may be transferred under the same conditions as the shares they derive from, and (ii) may be traded on the market during a period to be decided by the Board of Directors (with express powers to delegate such authority) of at least 15 calendar days. During this period, sufficient free allocation rights may be purchased on the market in the proportion required to receive New Shares.

Once the trading period for the free allocation rights under the Capital Increase has concluded, the following terms shall apply:

- (a) The New Shares shall be allocated to those who, in accordance with the accounting registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal” (Iberclear) and its participants, are holders of free allocation rights in the proportion defined in the sections above.*
- (b) The Board of Directors, with express powers to delegate such authority, shall declare the trading period for free allocation rights closed and the application of the account(s) against which the corresponding Capital Increase shall be made*

accounted for, for the amount required, which shall be paid along with the application.

Further, once the trading period for free allocation rights has concluded, the Board of Directors, with express powers to delegate such authority, shall submit the corresponding resolutions to amend the Bylaws to reflect the new share capital and number of shares resulting from the execution of the Capital Increase, and request to admit the New Shares for trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Sistema de Interconexión Bursátil (Continuous Market).

4. *Incomplete allocation or subscription*

Pursuant to article 311 of the Corporate Enterprises Act, there may be incomplete allocation or subscription of the Capital Increase if the Company, any Group company or third party were to waive all or part of the free allocation rights they own at the time of the Capital Increase, resulting in an increase in the share capital by the corresponding amount.

5. *Capital Increase counterparty*

The Capital Increase shall be made wholly against profits or reserves as stipulated in article 303.1 of the Corporate Enterprises Act. On execution of the Capital Increase, the Board of Directors, with express powers to delegate such authority, shall establish the profit/reserve item(s) to be used, in addition to the amount(s), according to the balance sheet on which the transaction is based.

6. *Type of New Shares issued*

The New Shares will be issued at par, i.e. for a nominal value of one euro and no share premium, and allocated freely to Company shareholders.

7. *Capital Increase execution period*

The Capital Increase may be executed within one year after the approval of this resolution, by the Board of Directors, with express powers to delegate such authority, at its sole discretion and therefore without having to re-apply for approval from the General Shareholders' Meeting, and in compliance with the legal and financial conditions in place at the time of execution.

8. *Irrevocable commitment to purchase free allocation rights:*

*The Company shall make an irrevocable commitment to purchase, at the price indicated below, the free allocation rights assigned in the Capital Increase, to shareholders receiving these rights as a result of being legally registered in the accounting registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), at the date specified in accordance with prevailing legislation governing the clearing and settlement of securities (the "**Purchase Commitment**").*

The Purchase Commitment shall extend solely to free allocation rights received by Company shareholders and not to allocation rights purchased or acquired on the market by any other means.

The Purchase Commitment corresponding to the Capital Increase shall remain in force and may be accepted before the deadline established by the Board of Directors, with express powers to delegate such authority, within the rights trading period. For these purposes, it has been agreed to authorise the Company to acquire free allocation rights, for a maximum amount of the total rights issued in the Capital Increase, while complying with all legal restrictions.

The “Purchase Price” will be the fixed price at which the Company will acquire each free allocation right pursuant to the Purchase Commitment calculated according to the following formula. The result will be rounded to the nearest thousandth of a euro and rounded up to the nearest figure if it is exactly half of a thousandth of a euro:

$$\text{Purchase price} = ((\text{Trading price} * \text{NSCirc}) / (\text{NSCirc} + \text{NNS})) / \text{FAR}$$

Where

- (i) “Trading Price” is equal to the arithmetic mean of the weighted average trading prices of the Company’s shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Sistema de Interconexión Bursátil (Continuous Market) in the five trading sessions prior to the date of the resolution adopted by the Board of Directors, with express powers to delegate such authority, to execute the Capital Increase.*
- (ii) “NSCirc” is the number of Company shares in circulation on the date the Board of Directors, with express powers to delegate such authority, resolves to execute the Capital Increase.*
- (iii) “NNS” is the maximum number of New Shares to be issued in accordance with the amount of the Capital Increase set by the Board of Directors.*
- (iv) “FAR” is the number of free allocation rights needed to receive one New Share, calculated according to the terms set down in section 3 above.*

The Company will waive the New Shares corresponding to the free allocation rights acquired under the aforementioned Purchase Commitment, increasing share capital exclusively by the amount corresponding to the free allocation rights that have not been waived.

The free allocation rights acquired by the Company under the Purchase Commitment shall be made wholly against profits or reserves as stipulated in article 303.1 of the Corporate Enterprises Act.

9. Balance sheet for the transaction and profits or reserves against which the Capital Increase will be made

The balance sheet used for the Capital Increase is that of the year ended 31 December 2017, duly audited and submitted to the General Shareholders’ Meeting for approval under item 1 of the agenda.

As previously mentioned, the Capital Increase shall be made wholly against profits or reserves, as stipulated in article 303.1 of the Corporate Enterprises Act. On execution of the Capital Increase, the Board of Directors, with express powers to delegate such authority, shall establish the profit/reserve account(s) to be used, in addition to the amount(s), in accordance with the balance sheet on which the transaction is based.

10. Representation of the New Shares

The New Shares shall be represented in book entry form in the system kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal” (Iberclear) and its participants.

11. Rights conferred by the New Shares

The New Shares shall grant their holders the same voting and dividend rights as those of the Company’s ordinary shares in circulation from the date the Capital Increase is announced to have been subscribed and paid in.

12. Shares in deposit

Once the trading period for free allocation rights in the Capital Increase has ended, any New Shares that were not allocated due to reasons beyond the Company’s control shall be kept in a deposit available to any person proving legitimate ownership of the corresponding free allocation rights. After the term of three years has elapsed from the end of the trading period for the free allocation rights, any New Shares issued as part of the Capital Increase that remain unassigned may be sold pursuant to article 117 of the Corporate Enterprises Act, at the expense and risk of the parties involved. Cash proceeds from the aforementioned sale will be deposited in the Bank of Spain or the General Deposit Fund (Caja General de Depósitos) on behalf of the parties involved.

13. Application for admission to trading

The Company shall apply to list the New Shares issued in the Capital Increase on the Bilbao, Madrid, Barcelona and Valencia stock exchanges, through the Sistema de Interconexión Bursátil (Continuous Market), and shall 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 New Shares are traded, expressly noting that the Company is subject to prevailing and potential securities market law, especially with regard to trading, continued trading and withdrawal from trading.

In the event of a subsequent request to delist the Company’s 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 who oppose or do not vote in favour of the delisting will be ensured, in the terms set forth in prevailing legislation.

14. Execution of the Capital Increase. Non-execution option.

The Board of Directors, with express powers to delegate such authority, may set the date on which the Capital Increase will take place and establish the conditions for any matters not addressed in this resolution, within a one year period.

However, if the Board of Directors, with express powers to delegate such authority, does not consider it appropriate to execute the Capital Increase, wholly or in part, within the stipulated time period (due to market conditions, issues affecting the Company itself or deriving from a particularly significant event), it may opt not to execute the increase, reporting this decision at the next General Shareholders' Meeting.

Additionally, the resolutions of this General Shareholders' Meeting relating to the Capital Increase shall be deemed to be invalid and without effect if, within one year from its approval, the Board of Directors has not exercised the powers entrusted to it.

15. Independence of Capital Increase

The Capital Increase agreed to herein is independent and cumulative to that submitted to the General Meeting under Agenda Item 8.2, in relation to which it is expressly agreed that the Board of Directors may, with express powers to delegate such authority, resolve to execute (or not) this increase independently and cumulatively with the provisions on the increase submitted under Agenda Item 8.2.

16. Delegation of powers to execute the Capital Increase

It is hereby resolved to delegate to the Board of Directors, in accordance with the provisions of article 297.1.a) of the Corporate Enterprises Act, with express powers to delegate such authority, 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, if necessary, 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 also resolved to empower the Board of Directors, likewise in accordance with the provisions of article 297.1.a) of the Corporate Enterprises Act and similarly with express powers to delegate such authority, the responsibility for establishing the conditions of the Capital Increase in any matters not addressed in the preceding sections. In particular, specific powers conferred to the Board include but are not limited or restricted to the following:

- (i) To execute or refrain from executing the Capital Increase (in full or in part), if its full or partial execution is not considered to be appropriate.*
- (ii) To set the amount of the Capital Increase, the number of New Shares and the number of free allocation rights as may be required to allocate each New Share.*

- (iii) *To establish the profit or reserve account(s) against which the Capital Increase is to be executed and the free allocation rights acquired by the Company under the Purchase Commitment and apply the corresponding amounts against these.*
- (iv) *To appoint the company or companies acting as agent and/or financial advisor in the Capital Increase and sign any contracts or documents that may be required for these purposes.*
- (v) *To establish the date and time for the assignment of the free allocation rights and the duration of the trading period, with a minimum of at least 15 calendar days.*
- (vi) *To set the period during which the Purchase Commitment relating to the Capital Increase will remain in force and to meet the Purchase Commitment by paying the appropriate amounts to those who have accepted that commitment, as well as to acquire the rights resulting from said approvals.*
- (vii) *To declare the trading period for the free allocation rights to be closed and the Capital Increase to be closed and executed, setting the number of New Shares effectively assigned and therefore the amount by which the Company's share capital should be increased under the rules laid down by this General Shareholders' Meeting, and report, if applicable, any incomplete allocation or subscription.*
- (viii) *To re-draft the article of the Bylaws setting share capital so as to reflect the new amount of share capital and number of shares in circulation following the Capital Increase.*
- (ix) *To formally apply the charge, in the appropriate amount, to the account(s) against which the capital increase is made, so that the capital increase is fully paid.*
- (x) *To waive the free allocation rights owned by the Company at the end of the respective trading period as a result of the Purchase Commitment and the New Shares corresponding to those rights.*
- (xi) *To waive, where applicable, free allocation rights to subscribe New Shares with the sole purpose of ensuring the number of New Shares is a whole number and not a fraction.*
- (xii) *To perform the actions necessary to ensure the New Shares are included in the accounting registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and are admitted to trading on the Bilbao, Madrid, Barcelona and Valencia stock exchanges through the Spanish Stock Market Interconnection System (Continuous Market) after the Capital Increase.*
- (xiii) *To draft and publish such announcements as may be necessary or appropriate for that purpose.*
- (xiv) *To draft, sign, execute and, where necessary, certify any type of document relating to the issue.*
- (xv) *To conduct any actions that are deemed necessary or appropriate to execute and formalise the Capital Increase, in dealings with any public or private, Spanish or foreign, entities or bodies, including reporting, making good or correcting any defects or omissions that could hinder or impede the preceding resolutions from being fully executed.*

The Board of Directors is expressly authorised to delegate, pursuant to article 249bis.1) of the Corporate Enterprises Act, any of the powers enumerated in this agreement."

- 8.2 Approval of a second share capital increase, charged to profits or reserves (“scrip dividend”), for a maximum par value of up to EUR 18,000,000, through the issuance of new ordinary shares with a par value of one euro per share, with no share premium, of the same class and series as those currently in circulation, with the possibility of incomplete subscription/allocation; consequent amendment of the relevant article of the Company Bylaws. Commitment to purchase free allocation rights at a guaranteed fixed price. Application for admission to trading of any new shares issued. Delegation of powers to the Board of Directors, with express powers to delegate such authority, to establish the conditions for the share capital increase in any matters not provided for by this General Meeting, and to take any action necessary to carry out the capital increase and to amend the wording of article 5 of the Company Bylaws.**

PROPOSED RESOLUTION:

"Approval of a share capital increase for a maximum nominal value of EUR 18,000,000, delegating powers to the Board of Directors to set the definitive amount of the capital increase within the specified limits, through the issuance of new shares charged to profits or reserves, in the terms and conditions described hereunder:

1. Amount of the capital increase

*The share capital increase (**Capital Increase**) shall be for a maximum nominal value of EUR 18,000,000, delegating powers to the Board of Directors, with express powers to delegate this authority, to set the definitive amount of the capital increase within the specified limit.*

2. Capital Increase format

The Capital Increase will be carried out through the issuance and circulation of new Company shares, each for a nominal value of one euro, all of the same class and series as the existing shares, represented in book-entry form (the “New Shares”).

3. Free allocation rights

Each Company share in circulation shall confer one free allocation right.

The number of free allocation rights required to receive one New Share (“FAR”) shall be the result of dividing (i) the number of Company shares in circulation at the date on which the Board of Directors, with powers to delegate further, resolves to execute the Capital Increase (“NSCirc”) by (ii) the number of new shares to be issued as part of the Capital Increase (“NNS”), rounded to the nearest whole number and if the result is not a whole number, rounding up to the next whole number when it is exactly half way between two whole numbers.

Where the number of free allocation rights (FAR) required for one new share multiplied by the number of new shares (NNS) to be issued is lower than the number of company shares in circulation (NSCirc) at the Capital Increase execution date, the Company (or any group company owning shares in the

Company) shall waive a number of free allocation rights equal to the difference between the two figures exclusively for the purpose of ensuring that the number of New Shares is a whole number and not a fraction.

Once the Board of Directors, with express powers to delegate such authority, agrees to execute the Capital Increase and has fixed the relevant dates, the free allocation rights shall be assigned to those persons registered in the accounting registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) at the date specified in accordance with applicable prevailing legislation.

Holders of bonds convertible into Sacyr shares in circulation at the date on which the Board of Directors, with express powers to delegate such authority, resolves to carry out the Capital Increase, shall not be eligible to receive free allocation rights for New Shares, without prejudice to any amendments made to the conversion ratio defined for each issue.

Free allocation rights (i) may be transferred under the same conditions as the shares they derive from, and (ii) may be traded on the market during a period to be decided by the Board of Directors (with express powers to delegate such authority) of at least 15 calendar days. During this period, sufficient free allocation rights may be purchased on the market in the proportion required to receive New Shares.

Once the trading period for the free allocation rights under the Capital Increase has concluded, the following terms shall apply:

- (a) The New Shares shall be allocated to those who, in accordance with the accounting registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal” (Iberclear) and its participants, are holders of free allocation rights in the proportion defined in the sections above.*
- (b) The Board of Directors, with express powers to delegate such authority, shall declare the trading period for free allocation rights closed and the application of the account(s) against which the corresponding Capital Increase shall be made accounted for, for the amount required, which shall be paid along with the application.*

Further, once the trading period for free allocation rights has concluded, the Board of Directors, with express powers to delegate such authority, shall submit the corresponding resolutions to amend the Bylaws to reflect the new share capital and number of shares resulting from the execution of the Capital Increase, and request to admit the New Shares for trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Sistema de Interconexión Bursátil (Continuous Market).

4. *Incomplete allocation or subscription*

Pursuant to article 311 of the Corporate Enterprises Act, there may be incomplete allocation or subscription of the Capital Increase if the Company, any Group company or third party were to waive all or part of the free allocation rights they own at the time of the Capital Increase, resulting in an increase in the share capital by the corresponding amount.

5. Capital Increase counterparty

The Capital Increase shall be made wholly against profits or reserves as stipulated in article 303.1 of the Corporate Enterprises Act. On execution of the Capital Increase, the Board of Directors, with express powers to delegate such authority, shall establish the profit/reserve item(s) to be used, in addition to the amount(s), according to the balance sheet on which the transaction is based.

6. Type of New Shares issued

The New Shares will be issued at par, i.e. for a nominal value of one euro and no share premium, and allocated freely to Company shareholders.

7. Capital Increase execution period

The Capital Increase may be executed within one year after the approval of this resolution, by the Board of Directors, with express powers to delegate such authority, at its sole discretion and therefore without having to re-apply for approval from the General Shareholders' Meeting, and in compliance with the legal and financial conditions in place at the time of execution.

8. Irrevocable commitment to purchase free allocation rights:

The Company shall make an irrevocable commitment to purchase, at the price indicated below, the free allocation rights assigned in the Capital Increase, to shareholders receiving these rights as a result of being legally registered in the accounting registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), at the date specified in accordance with prevailing legislation governing the clearing and settlement of securities (the "Purchase Commitment").

The Purchase Commitment shall extend solely to free allocation rights received by Company shareholders and not to allocation rights purchased or acquired on the market by any other means.

The Purchase Commitment corresponding to the Capital Increase shall remain in force and may be accepted before the deadline established by the Board of Directors, with express powers to delegate such authority, within the rights trading period. For these purposes, it has been agreed to authorise the Company to acquire free allocation rights, for a maximum amount of the total rights issued in the Capital Increase, while complying with all legal restrictions.

The "Purchase Price" will be the fixed price at which the Company will acquire each free allocation right pursuant to the Purchase Commitment calculated according to the following formula. The result will be rounded to the nearest thousandth of a euro and rounded up to the nearest figure if it is exactly half of a thousandth of a euro:

$$\text{Purchase price} = ((\text{Trading price} * \text{NSCirc}) / (\text{NSCirc} + \text{NNS})) / \text{FAR}$$

Where

- (i) **“Trading Price”** is equal to the arithmetic mean of the weighted average trading prices of the Company’s shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Sistema de Interconexión Bursátil (Continuous Market) in the five trading sessions prior to the date of the resolution adopted by the Board of Directors, with express powers to delegate such authority, to execute the Capital Increase.
- (ii) **“NSCirc”** is the number of Company shares in circulation on the date the Board of Directors, with express powers to delegate such authority, resolves to execute the Capital Increase.
- (iii) **“NNS”** is the maximum number of New Shares to be issued in accordance with the amount of the Capital Increase set by the Board of Directors.
- (iv) **“FAR”** is the number of free allocation rights needed to receive one New Share, calculated according to the terms set down in section 3 above.

The Company will waive the New Shares corresponding to the free allocation rights acquired under the aforementioned Purchase Commitment, increasing share capital exclusively by the amount corresponding to the free allocation rights that have not been waived.

The free allocation rights acquired by the Company under the Purchase Commitment shall be made wholly against profits or reserves as stipulated in article 303.1 of the Corporate Enterprises Act.

9. Balance sheet for the transaction and profits or reserves against which the Capital Increase will be made

The balance sheet used for the Capital Increase is that of the year ended 31 December 2017, duly audited and submitted to the General Shareholders’ Meeting for approval under item 1 of the agenda.

As previously mentioned, the Capital Increase shall be made wholly against profits or reserves, as stipulated in article 303.1 of the Corporate Enterprises Act. On execution of the Capital Increase, the Board of Directors, with express powers to delegate such authority, shall establish the profit/reserve account(s) to be used, in addition to the amount(s), in accordance with the balance sheet on which the transaction is based.

10. Representation of the New Shares

The New Shares shall be represented in book entry form in the system kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal” (Iberclear) and its participants.

11. Rights conferred by the New Shares

The New Shares shall grant their holders the same voting and dividend rights as those of the Company’s ordinary shares in circulation from the date the Capital Increase is announced to have been subscribed and paid in.

12. Shares in deposit

Once the trading period for free allocation rights in the Capital Increase has ended, any New Shares that were not allocated due to reasons beyond the Company's control shall be kept in a deposit available to any person proving legitimate ownership of the corresponding free allocation rights. After the term of three years has elapsed from the end of the trading period for the free allocation rights, any New Shares issued as part of the Capital Increase that remain unassigned may be sold pursuant to article 117 of the Corporate Enterprises Act, at the expense and risk of the parties involved. Cash proceeds from the aforementioned sale will be deposited in the Bank of Spain or the General Deposit Fund (Caja General de Depósitos) on behalf of the parties involved.

13. Application for admission to trading

The Company shall apply to list the New Shares issued in the Capital Increase on the Bilbao, Madrid, Barcelona and Valencia stock exchanges, through the Sistema de Interconexión Bursátil (Continuous Market), and shall 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 New Shares are traded, expressly noting that the Company is subject to prevailing and potential securities market law, especially with regard to trading, continued trading and withdrawal from trading.

In the event of a subsequent request to delist the Company's 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 who oppose or do not vote in favour of the delisting will be ensured, in the terms set forth in prevailing legislation.

14. Execution of the Capital Increase. Non-execution option.

The Board of Directors, with express powers to delegate such authority, may set the date on which the Capital Increase will take place and establish the conditions for any matters not addressed in this resolution, within a one year period.

However, if the Board of Directors, with express powers to delegate such authority, does not consider it appropriate to execute the Capital Increase, wholly or in part, within the stipulated time period (due to market conditions, issues affecting the Company itself or deriving from a particularly significant event), it may opt not to execute the increase, reporting this decision at the next General Shareholders' Meeting.

Additionally, the resolutions of this General Shareholders' Meeting relating to the Capital Increase shall be deemed to be invalid and without effect if, within one year from its approval, the Board of Directors has not exercised the powers entrusted to it.

15. Independence of Capital Increase

The Capital Increase agreed to herein is independent, additional and cumulative to that submitted to the General Meeting under Agenda Item 8.1, in relation to which it is expressly agreed that the Board of Directors may, with express powers to delegate such authority, resolve to execute (or not) this increase independently and cumulatively with the provisions on the increase submitted under Agenda Item 8.1.

16. Delegation of powers to execute the Capital Increase

It is hereby resolved to delegate to the Board of Directors, in accordance with the provisions of article 297.1.a) of the Corporate Enterprises Act, with express powers to delegate such authority, 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, if necessary, 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 also resolved to empower the Board of Directors, likewise in accordance with the provisions of article 297.1.a) of the Corporate Enterprises Act and similarly with express powers to delegate such authority, the responsibility for establishing the conditions of the Capital Increase in any matters not addressed in the preceding sections. In particular, specific powers conferred to the Board include but are not limited or restricted to the following:

- (i) To execute or refrain from executing the Capital Increase (in full or in part), if its full or partial execution is not considered to be appropriate.*
- (ii) To set the amount of the Capital Increase, the number of New Shares and the number of free allocation rights as may be required to allocate each New Share.*
- (iii) To establish the profit or reserve account(s) against which the Capital Increase is to be executed and the free allocation rights acquired by the Company under the Purchase Commitment and apply the corresponding amounts against these.*
- (iv) To appoint the company or companies acting as agent and/or financial advisor in the Capital Increase and sign any contracts or documents that may be required for these purposes.*
- (v) To establish the date and time for the assignment of the free allocation rights and the duration of the trading period, with a minimum of at least 15 calendar days.*
- (vi) To set the period during which the Purchase Commitment relating to the Capital Increase will remain in force and to meet the Purchase Commitment by paying the appropriate amounts to those who have accepted that commitment, as well as to acquire the rights resulting from said approvals.*
- (vii) To declare the trading period for the free allocation rights to be closed and the Capital Increase to be closed and executed, setting the number of New Shares effectively assigned and therefore the amount by which the Company's share capital should be increased under the rules laid down by this General Shareholders' Meeting, and report, if applicable, any incomplete allocation or subscription.*

- (viii) *To re-draft the article of the Bylaws setting share capital so as to reflect the new amount of share capital and number of shares in circulation following the Capital Increase.*
- (ix) *To formally apply the charge, in the appropriate amount, to the account(s) against which the capital increase is made, so that the capital increase is fully paid.*
- (x) *To waive the free allocation rights owned by the Company at the end of the respective trading period as a result of the Purchase Commitment and the New Shares corresponding to those rights.*
- (xi) *To waive, where applicable, free allocation rights to subscribe New Shares with the sole purpose of ensuring the number of New Shares is a whole number and not a fraction.*
- (xii) *To perform the actions necessary to ensure the New Shares are included in the accounting registers of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and are admitted to trading on the Bilbao, Madrid, Barcelona and Valencia stock exchanges through the Spanish Stock Market Interconnection System (Continuous Market) after the Capital Increase.*
- (xiii) *To draft and publish such announcements as may be necessary or appropriate for that purpose.*
- (xiv) *To draft, sign, execute and, where necessary, certify any type of document relating to the issue.*
- (xv) *To conduct any actions that are deemed necessary or appropriate to execute and formalise the Capital Increase, in dealings with any public or private, Spanish or foreign, entities or bodies, including reporting, making good or correcting any defects or omissions that could hinder or impede the preceding resolutions from being fully executed.*

The Board of Directors is expressly authorised to delegate, pursuant to article 249bis.1) of the Corporate Enterprises Act, any of the powers enumerated in this agreement.”

CORRESPONDING TO THE NINTH AGENDA ITEM:

Board authorisation and delegation of the attendant powers in any of its members to increase share capital in accordance with the terms of article 297.1.b) of the Corporate Enterprises Act, for a maximum term of five years, in exchange for monetary contributions up to a maximum amount of no more than half (50%) of the share capital, and expressly granting the power to waive pre-emptive subscription rights. Revocation of prior authorisations.

PROPOSED RESOLUTION:

"A) Authorization of the Board of Directors, as extensively as may be required by law, to, pursuant to article 297.1.b) of the Corporate Enterprises Act, increase the share capital, without first consulting the General Meeting, one or more times, and at any time within five years from the date of this General Meeting, up to a maximum nominal amount equal to half (50%) of the Company's share capital at the time of this authorization, thus falling within the limits imposed by applicable regulations. The capital increases pursuant to this authorization shall be executed, one or more times, through the issue and circulation of new shares –with or without a premium– with consideration consisting of monetary contributions. The Board of Directors shall, with

express powers to delegate said authority, decide for each share increase whether the new shares to be issued will be ordinary, preferred, redeemable, non-voting or any other kind of share permitted by law. Furthermore, the Board of Directors, with express powers to delegate said authority, may, to the extent not already established, establish the terms and conditions of the capital increases as well as the characteristics of the shares, and may also freely offer the new shares not subscribed during the pre-emptive subscription period(s). The Board of Directors, with express powers to delegate said authority, may also provide that, in the event of incomplete subscription, the share capital shall only remain increased in the amount of the subscriptions made, rewriting the articles of the Bylaws as relate to the share capital and number of shares. The shares issued pursuant to this authorization may be used to cover the conversion of convertible securities issued or to be issued by the Company or its group companies.

Furthermore, as relates to the capital increases executed pursuant to this authorization, the Board of Directors is authorized to exclude, in whole or in part, the pre-emptive right under the terms of article 506 of the Corporate Enterprises Act.

The Company shall, as the case may be, apply for admission to trading on official or unofficial, organized or unorganized, national or foreign, secondary markets, of the shares issued by the Company by virtue of this delegation of authority, authorizing the Board to carry out the formalities and actions necessary for admission to trading before the competent bodies of the various national or foreign securities markets. Furthermore, the resolution authorizing the capital increase shall expressly note that, for all legal purposes, in the event of a subsequent request to delist the Company's shares, the delisting process will be conducted with the formalities required by applicable law and, that in such event, the interests of shareholders or holders who oppose or do not vote in favour of the delisting will be protected, in compliance with the requirements established in the Corporate Enterprises Act, the Capital Markets Act and other related or implementing provisions.

The Board of Directors is expressly authorised, under article 249 bis 1) of the Corporate Enterprises Act, to delegate the powers delegated by virtue of this resolution.

B) This authorization shall invalidate the authorization granted by the General Shareholders' Meeting held on 12 June 2014 to the extent not implemented."

CORRESPONDING TO THE NINTH AGENDA ITEM:

Authorisation of the Board of Directors to interpret, rectify, supplement, implement and carry out any resolutions passed by the General Shareholders' Meeting. The Board is further authorised to delegate any powers conferred by the General Shareholders' Meeting, and to delegate its powers to have any such resolutions recorded in a notarised deed.

PROPOSED RESOLUTION:

“Notwithstanding any other delegations of powers included in the preceding resolutions, the Company's Board of Directors is hereby expressly authorized to delegate powers in the broadest sense necessary under law to complete, execute, develop and technically amend (where necessary) any previous resolutions, as well as to correct any omissions or errors therein (formal, substantive, or technical), and their interpretation, jointly conferring on the Board of Directors,

with the express authorization of sub-delegation or replacement, as well as on the Chairman, Secretary and Vice-Secretary of the Board of Directors and any other directors, the power to execute the relevant public deeds containing the resolutions passed, with the broadest powers necessary, granting such documents as necessary to ensure the filing, albeit partial, in the Companies Register of the aforementioned resolutions and, specifically, to:

- (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 any omissions, defects or errors of form or substance, or of a technical nature, which may prevent these resolutions and their consequences from being properly recorded in the Companies Register, Property Register, Industrial Property Register or any other registers.*
- (b) Carry out any actions or legal processes necessary or appropriate to implement the resolutions approved at this General Shareholders' Meeting, and to provide any public or private documents as may be considered necessary or appropriate to ensure that these resolutions take effect, including the performance of any actions as necessary or convenient before any public or private body.
- (c) Delegate or sub-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 thereto 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.*

Furthermore, each member of the management body is hereby expressly authorized, individually and with their sole signature, to submit the adopted resolutions to be recorded in a notarised deed, as well as to grant any additional deeds as may be necessary or pertinent to correct, clarify, specify or complete the resolutions passed by the present General Meeting. "