



RS OF SACYR VALLEHERMOSO, S.A. IN RELATION TO THE MOTION CONCERNING ITEM TEN ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING SCHEDULED FOR 29 JUNE 2010 ON FIRST CALL, AND 30 JUNE 2010 ON SECOND CALL AMENDMENTS TO THE REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING OF SACYR VALLEHERMOSO, S.A.

At the Board meeting held on 5 May 2010, the Board of Directors of Sacyr Vallehermoso, S.A. agreed to submit to the General Shareholders' Meeting, for its approval, an amendment to Article 3 of the Regulations of the General Shareholders' Meeting.

The current drafting of Article 3 has been transcribed in the left-hand column below, whereas the right-hand column contains the proposed drafting, with the changes highlighted in a different colour. The reasons for the changes are described further below.

<u>Current drafting</u>	<u>Proposed amendment</u>
<u>Article 3. Functions of the Meeting</u>	<u>Article 3. Functions of the General Shareholders' Meeting</u>
<i>The General Shareholders' Meeting will decide on matters within its sphere of competence according to the law and the Bylaws. In particular, it is responsible for adopting the following agreements:</i>	<i>The General Shareholders' Meeting will decide on matters that fall within its remit in accordance with law and the Bylaws. In particular, the General Meeting will decide on resolutions affecting the following issues:</i>
<i>1. The appointment and removal of directors.</i>	<i>1. Appointment and removal of directors.</i>
<i>2. The appointment of the auditors.</i>	<i>2. Appointment of the financial auditors.</i>
<i>3. The review of the management of the company and the approval, where relevant, of the previous year's financial statements and of the distribution of income.</i>	<i>3. Granting discharge to the management team and approving, where appropriate, the financial statements for the preceding year and the proposed appropriation of earnings.</i>
<i>4. Increases or decreases in capital stock, where relevant delegating to the Board of Directors, within the periods foreseen in the legislation, the power to indicate the date or dates of execution of the same. It</i>	<i>4. Increases or reductions in share capital, thereby delegating to the Board of Directors, where applicable and within the timeframes prescribed by law, the power to define the date or dates for executing</i>



<p>may also empower the Board of Directors to increase capital stock under the terms of Article 153.1.b) of the Corporation Act.</p>	<p>the transaction <u>and other pertinent terms and conditions</u>. The General Meeting may also authorize the Board of Directors to increase share capital in accordance with the provisions of Article 153.1.b) of the Spanish Public Limited Companies Act, <u>including the power to remove the pre-emptive subscription right pursuant to Article 159.2 of the same Act</u>.</p>
<p>5. The issuance of bonds and empowering the Board of Directors to issue bonds, convertible or otherwise, in the terms foreseen in the legislation.</p>	<p>5. Issues of bonds and debt instruments, and authorization for the Board of Directors to issue bonds and debt instruments, convertible or otherwise, in accordance with applicable law; <u>to remove or limit the pre-emptive subscription right over new shares; to move the company's registered office abroad; and to buy back shares in the company</u>.</p>
<p>6. Amendment of the Bylaws.</p>	<p>6. Amendments to the Bylaws.</p>
<p>7. Wind-up, merger, spin-off and transformation of the Company.</p>	<p>7. Dissolution, merger, spin-off or conversion of the company <u>and the mass transfer of assets and liabilities</u>.</p>
<p>8. Approval of specific regulations for General Meetings.</p>	<p>8. Approval of specific regulations for the General Meeting.</p>
<p>9. Approval of the fixed and annual remuneration of the Board of Directors.</p>	<p>9. Approval of the fixed and yearly remuneration of the Board of Directors.</p>
	<p><u>10. Any other powers that may be legally conferred upon the Board.</u></p>
	<p><u>11. Any other decision-making powers conferred by law or the Bylaws.</u></p>

Grounds for the proposed changes

The proposed changes are intended to expand upon and improve the existing drafting of the powers and functions of the General Shareholders' Meeting, expressly introducing the following: (i) authorization for the Board of Directors to define the other applicable terms and conditions of a previously agreed capital increase and, in relation to the authorized capital under Article 153.1.b) of the Spanish Public Limited Companies Act, the power to remove the pre-emptive subscription right pursuant to Article 159.2 of the same Act; (ii) the removal or limitation of the pre-emptive



subscription right over new shares; (iii) when the company moves its registered offices abroad; (iv) authorization to buy back company shares; (v) the mass transfer of assets and liabilities; (vi) delegation to the Board of any of the powers vested in the General Meeting, insofar as these may be legally delegated; and (vii) any other decision-making powers conferred by law or the Bylaws (*ad cautelam* to cover any possible omission).

Motion to be put before the General Meeting

Transcribed verbatim below is the motion to be put before the General Shareholders' Meeting in relation to the amendments to Article 3 of the Regulations of the General Shareholders' Meeting, included as Item Ten on the agenda.

Item Ten

Amendment to Article 3 of the Regulations of the General Shareholders' Meeting (*Functions of the Meeting*).

MOTION:

To amend Article 3 of the Regulations of the General Shareholders' Meeting, which will hereinafter read as follows:

"Article 3. Functions of the General Shareholders' Meeting.

The General Shareholders' Meeting will decide on matters that fall within its remit in accordance with law and the Bylaws. In particular, the General Meeting will decide on resolutions affecting the following issues:

- 1. Appointment and removal of directors.*
- 2. Appointment of the financial auditors.*
- 3. Granting discharge to the management team and approving, where appropriate, the financial statements for the preceding year and the proposed appropriation of earnings.*
- 4. Increases or reductions in share capital, thereby delegating to the Board of Directors, where applicable and within the timeframes prescribed by law, the power to define the date or dates for executing the transaction and other pertinent terms and conditions. The General Meeting may also authorize the Board of Directors to increase share capital in accordance with the provisions of Article 153.1.b) of the Spanish Public Limited Companies Act, including the power to remove the pre-emptive subscription right pursuant to Article 159.2 of the same Act.*
- 5. Issues of bonds and debt instruments, and authorization for the Board of Directors to issue bonds and debt instruments, convertible or otherwise, in accordance with applicable law; to remove or limit the pre-emptive subscription right over new shares; to move the company's registered office abroad; and to buy back shares in the company.*



6. *Amendments to the Bylaws.*
7. *Dissolution, merger, spin-off or conversion of the company and the mass transfer of assets and liabilities.*
8. *Approval of specific regulations for the General Meeting.*
9. *Approval of the fixed and yearly remuneration of the Board of Directors.*
10. *Any other powers that may be legally conferred upon the Board.*
11. *Any other decision-making powers conferred by law or the Bylaws.”*

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Madrid, 5 May 2010.