



**PROPOSALS FOR AGREEMENT
GENERAL SHAREHOLDERS' MEETING
SACYR VALLEHERMOSO, SA
16/17 JUNE, 2009**

Ten

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON REMUNERATION POLICY

I.- INTRODUCTION

The Board of the Spanish National Securities Commission (CNMV) approved the Unified Code of Good Corporate Governance, which establishes a set of optional recommendations for listed companies, under the principle of “comply or explain”. Companies may choose whether or not to implement each of the recommendations, the sole condition being that if they do not implement them they must explain why they do not think it advisable to follow them literally in view of the specific circumstances of each individual company.

However, Sacyr Vallehermoso SA has decided to implement most of these recommendations. This Board of Directors' Remuneration Policy Report has been written as a result.

More particularly, this Report is based on recommendation 34 of the Unified Code, which recommends that the remuneration policy approved by the Board refer to directors' fixed salaries and allowances for their involvement in the Board and Committees; their variable salaries; systems of planning, if such exist; and the nature of senior management contracts.

Recommendation 39 of the Unified Code recommends submitting a consultative report on director remuneration to the General Shareholders' Meeting for voting. It states that this report should concentrate particularly on the current year, detailing the main differences between it and the preceding year.

II.- CONTENT OF THE REPORT.

1. **Remuneration for Board & Committee Activities**

In accordance with the company bylaws, members of the Board of Directors of Sacyr Vallehermoso, SA are entitled to a remuneration consisting of a fixed annual salary and payment for assisting. In 2008, the remunerations agreed to by the Board are the following:



- For being Board Director and carrying out the corresponding duties: 72,000 euros per year
- For being a member of the Executive Committee and carrying out the corresponding duties: 48,000 gross euros per year
- For being a member of the Audit Committee or the Appointments and Retributions committee: 24,000 per year

Below is the individual breakdown of the amounts received by the Directors for their involvement in the Board and its Committees during 2008. These ended up being lower than initially agreed as in 2008 the Directors did not have the right to receive compensation for that concept (as discussed below). Therefore, the amounts received in advance from the company must be refunded, resulting in the right for the latter to be paid.

Directors' Remuneration	Board of Directors	Executive Committee	Audit Committee	App. & Remun. Comm.	Total
Luis Fernando del Rivero Asensio	66,000.00	44,000.00			110,000.00
Manuel Manrique Cecilia	66,000.00	44,000.00			110,000.00
Nueva Compañía de Inversiones SA	68,106.07	44,000.00			112,106.07
Diogo Alves Diniz Vaz Guedes	66,000.00	44,000.00			110,000.00
Demetrio Carceller Arce	66,000.00	44,000.00		22,000.00	132,000.00
Prilou SL	66,000.00	44,000.00		22,000.00	132,000.00
Mutua Madrileña Automovilista	66,000.00	20,000.00			86,000.00
Participaciones Agrupadas SRL	66,000.00	44,000.00	22,000.00		132,000.00
Torreal SA	66,000.00		22,000.00		88,000.00
Grupo Satocan SA (until 10.01.2007)	6,000.00		2,000.00		8,000.00
Corporación Caixa Galicia SA (until 10.05.2007)	6,000.00	4,000.00		2,000.00	12,000.00
Matías Cortés Domínguez	66,000.00			22,000.00	88,000.00
Actividades Inmobiliarias y Agrícolas SA	66,000.00		22,000.00		88,000.00
Prilomi SL	66,000.00				66,000.00
Francisco Javier Pérez Gracia	66,000.00				66,000.00
José Luis Méndez López	60,000.00	40,000.00		20,000.00	120,000.00
Juan Miguel Sanjuan Jover	60,000.00		20,000.00		80,000.00
TOTAL	992,106.07	372,000.00	88,000.00	88,000.00	1,540,106.07

However, the total amount of the Directors' remuneration for their role as board members, which is set by the General Shareholders' Meeting, may not exceed 2.5% of the parent company's net earnings for the year, as shown in the Group's consolidated financial statements, in accordance with Article 43 of the bylaws.



Therefore, as in 2008 the said 2.5% of the earnings attributed to the parent company were less than zero, the Directors do not have the right for compensation in 2008, and must refund the amounts received in advance in accordance with the bylaws. On 31 December, 2008, the company opened account receivable entries for each Director, for the amounts received by the Directors in advance in 2008 for allowances and other statutory claims. These accounts receivable will be cancelled through compensation with the remuneration earned during 2009 or thereafter. If a Director resigns in 2009 or after, who has not fully reimbursed the outstanding amount owed to the company, s/he will have to repay in cash the outstanding amount.

Remuneration for 2007 was as follows:

Directors' Remuneration	Board of Directors	Executive Committee	Audit Committee	App. & Remun. Comm.	Total
Luis Fernando del Rivero Asensio	72,000.00	48,000.00			120,000.00
Manuel Manrique Cecilia	72,000.00	48,000.00			120,000.00
Nueva Compañía de Inversiones SA	350,000.00	48,000.00			398,000.00
Diogo Alves Diniz Vaz Guedes	72,000.00	48,000.00			120,000.00
Demetrio Carceller Arce	72,000.00	48,000.00		24,000.00	144,000.00
Prilou SL	72,000.00	48,000.00		24,000.00	144,000.00
Mutua Madrileña Automovilista	72,000.00				72,000.00
Participaciones Agrupadas SRL	72,000.00	48,000.00	24,000.00		144,000.00
Torreal SA	72,000.00		24,000.00		96,000.00
Grupo Satocán SA					
Corporación Caixa Galicia SA	30,000.00	20,000.00		10,000.00	60,000.00
Matías Cortés Domínguez	72,000.00			24,000.00	96,000.00
Actividades Inmobiliarias y Agrícolas SA	72,000.00		24,000.00		96,000.00
Prilomi SL	72,000.00				72,000.00
Francisco Javier Pérez Gracia	72,000.00				72,000.00
José Luis Méndez Lopez (resigned 11/09)	42,000.00	28,000.00		14,000.00	84,000.00
Juan Miguel Sanjuan Jover (resigned 11/08).	72,000.00		24,000.00		96,000.00
TOTAL	1,358,000.00	384,000.00	96,000.00	96,000.00	1,934,000.00

2. Remuneration of Executive Directors



Article 43 of the bylaws states that directors with executive functions are entitled to remuneration consisting of a) a fixed basic remuneration, b) a variable component, c) a component dependent on attendance, and d) an indemnity for dismissal unrelated to the director's performance. The sums paid are to be determined by the Board of Directors, after receiving a report issued by the Appointments and Remuneration Committee. This decision must be based on market conditions and the responsibilities and commitments of each director. Lastly, this remuneration must be submitted to the General Shareholders' Meeting for ratification.

Executive directors' remuneration during 2008 has been approved by SyV's Board of Directors, and will be submitted to the General Shareholders' Meeting for approval. It is as follows:

Luis Fernando del Rivero Asensio:
Basic: €2,040,691.11
Variable: --
Total: €2,106,690.11

Manuel Manrique Cecilia:
Basic: €584,720.94
Variable: €451,454.00
Total: €1,036,174.94

Francisco Javier Pérez Gracia:
Basic: €265,107.71
Variable: €202,566.00
Total: €467,673.71

Executive directors' remuneration during 2007, as approved by the Board and the General Shareholders' Meeting, was as follows:

Luis Fernando del Rivero Asensio:
Basic: €2,000,000.00
Variable: --
Total: €2,000,000.00

Manuel Manrique Cecilia:
Basic: €564,599.98
Variable: €423,721.00
Total: €988,320.98

Diogo Alves Diniz Vaz Guedes:
Basic: €362,950.00
Variable: €50,813.00
Total: €413,763.00

Francisco Javier Pérez Gracia:
Basic: €253,599.98
Variable: €188,031.00



Total: €423,630.98

3. Description of Additional Systems of Planning

There are no additional health and insurance benefits for directors. Executive directors hold only a health insurance policy and a €72,000 life insurance policy, as do many Company and Group employees.

4. Contract conditions for senior management

There is no homogeneous criterion for senior management contracts, as each contract is negotiated according to the specific nature of the director in question.

In the Management Committee there are four senior members with a labour contract that includes compensation of between one and two years of salary in the case of dismissal.

5. Role of the Appointments and Remuneration Committee

The Company's remuneration policy for 2008 was approved by the Board of Directors, after a favourable report by the Appointments and Remuneration Committee at its meetings of 11 January and 16 January 2008. The Committee received assistance from the General Resource Management group and the Human Resources Dept. within it.