

RESOLUTION PROPOSALS OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL SHAREHOLDERS' MEETING OF THE COMPANY TO BE HELD IN MADRID, PALACIO MUNICIPAL CONGRESOS OF MADRID, LOCATED IN AVENIDA DE LA CAPITAL DE ESPAÑA MADRID Nº 7, CAMPO DE LAS NACIONES, 28042 MADRID AT 11.30 AM ON 28 MAY 2014, AT FIRST CALL, AND THE FOLLOWING DAY, 29 MAY 2014, AT THE SAME TIME AND PLACE.

a) To approve the Financial Statements and the Directors' Report, for the year 2013, of both the company and the Group of which it is the parent company.

b) To approve the following proposal for the distribution of profits, which amount to 1,260,282,365.36 euros: to voluntary reserves, 599,503,340 euros; to offset negative results from previous financial years, 619,571,229.58 euros; and to the restricted goodwill reserve, pursuant to article 273.4 of the Consolidated Text of the Spanish Corporations Law, the amount of 41,207,795.78 euros against unrestricted reserves. In accordance with the Company By-laws, the total remuneration of the Company's Board of Directors for 2013 was 2,239,000 euros.

c) To approve, for merely consultative purposes, the Report on Remuneration of the Board of Directors for the 2013 financial year.

d) To approve the performance of the Board of Directors during the year 2013

e) To ratify the appointment of a Board member and, if necessary, appoint them for the statutory period of six years from the date of this shareholder meeting as Board member to Iberostar Hoteles y Apartamentos S.L., with registered address at calle General Riera number 154, 07010 Palma de Mallorca, holder of Tax Identification Code (C.I.F.) A28/049344 and recorded in the Mercantile Register of the Balearic Islands, volume 906, sheet 112 of the Record, in book 712, Section 3 of the Companies Section, page PM-7.191, carried out by the Boards of directors of the Company in its meeting of 26 March 2014.

f) Following a proposal of the Audit Committee, to extend the appointment of Deloitte, S.L., with Corporate Tax ID No. B-79104469 and with Official Auditors Register (ROAC) No. SO692, as auditors of both the company and the Group of Companies of which ACS, Actividades de Construcción y Servicios, S.A. is the Parent Company, for a one-year period starting 1 January 2015, To this end the Board of Directors of the company, its Chairman, any of its Vice-Chairmen and the Secretary-Director are authorised indiscriminately so that they may enter into the relevant service lease agreement with the above-mentioned auditors, for the term stated above and under the conditions which they deem appropriate within normal market conditions.

g) Capital increase and capital reduction.

#### **1.1.1 Capital increase resolution**

It is resolved to increase the share capital by an amount which is the result of multiplying (a) the nominal value of half (0.50) a euro per share of ACS, Actividades de Construcción y Servicios, S.A. ("ACS" or the "Company") by (b) the number de new shares of ACS resulting from the application of the

formula provided under 1.1.2 below (the “**New Shares**”), but the total sum of the fair value of the New Shares cannot exceed a ceiling of 366 million euros.

The capital increase is effected by means of the issuance and circulation of the New Shares, which shall be ordinary shares with a nominal value of half (0.50) euros each, of the same class and series as those currently outstanding, represented by means of book entries.

The capital increase will be fully charged to the voluntary reserves, which as of 31 December 2013 amounted to 535,528,874.62 euros.

The New Shares are issued at par value, that is, at their nominal value of half (0.50) a euro, with no share Premium, and they will be allocated free of charge to the company shareholders.

The capital increase may be executed, by the Board of Directors (with express powers of substitution), pursuant to the provisions in section 1.1.9 below, on one or two different dates, at its exclusive discretion and therefore without having to resort again to the General Shareholders’ Meeting. The dates on which the capital increase is likely to be executed are, in the case of the first execution, within the three months following the date of this General Shareholders’ Meeting and, in the event there is a second execution, in the first quarter of 2015, thereby coinciding with the dates on which ACS traditionally pays out the supplementary dividend and the interim dividend. Each full or partial execution of the capital increase will be referred to as an “**Execution**” and, together, as the “**Executions.**”

Pursuant to the provisions in article 311 the Consolidated Text of the Spanish Limited Liability Companies Law, the possibility of an incomplete allocation of the capital increase is foreseen in each of the Executions.

### 1.1.2 New Shares to be issued in each Execution

The number of New Shares to be issued in each Execution will be the result of applying the formula below, rounded to the whole number immediately below:

$$\text{NAN} = \text{NTAcc} / \text{No. of}$$

rights where,

NAN = Number of New Shares to be issued on the relevant Execution date;

NTAcc = Number of shares of ACS outstanding on the date on which it is resolved to carry out each Execution; and

No. of rights = Number of free allocation rights needed for the allocation of one New Share in the relevant Execution, which will be the result of applying the formula below, rounded to the whole number immediately above:

$$\text{No. of rights} = \text{NTAcc} / \text{Provisional no. of}$$

shares where,

Provisional no. of shares = Amount of the Executed Option /

PreCot. For this purpose:

“**Amount of the Executed Option**” is the maximum fair market value corresponding to the part of the capital increase that the Board of Directors (with express powers of substitution) executes on a given Execution date. The Amount of the Executed Option in the first Execution, which is scheduled to take place within the three months following this General Shareholders’ Meeting for the year 2013, will at the most be 224 million euros. The Amount of the Executed Option in the event there is a second (and last Execution), which would foreseeably take place in the first quarter of 2015, cannot exceed 366 million euros. In this way, the sum of each of the Amounts of the Executed Option cannot exceed the amount of 366 million euros.

“PreCot” is the arithmetic mean of the weighted average prices of the company share on the Spanish Stock Exchanges in the 5 trading sessions prior to each of the capital increase Execution dates, rounded to the nearest thousandth euro and, in the event there is half a thousandth, it will be rounded to the immediately higher thousandth of euro.

### **1.1.3 Free allocation rights**

In each Execution, each company share outstanding will grant one free allocation right. The number of free allocation rights needed to receive one New Share will be determined automatically according to the existing proportion between the number of New Shares and the number de shares outstanding (NTAcc). Specifically, shareholders will be entitled to receive one New Share for every x free allocation rights they hold, as determined according to the provisions under 1.1.2 above (No. of rights).

In the event that, at a specific Execution, the number of free allocation rights needed for the allocation of a share (No. of rights) multiplied by the New Shares (NAN) turns out to be lower than the number of shares outstanding (NTAcc), ACS (or a group company which, as the case may be, is a holder of shares of ACS), will give up a number of free allocation rights equal to the difference between the two figures, exclusively for the purpose of making the number of New Shares a whole number rather than a fraction.

The free allocation rights will be allocated in each Execution to the ACS shareholders appearing as entitled as such in the book records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) at 23:59 on the date of publication of the announcement of each Execution of the capital increase in the Official Gazette of the Mercantile Registry. During the negotiation period of the free allocation rights, sufficient allocation rights may be acquired on the market in the proportion necessary to subscribe New Shares. The free allocation rights may be negotiated on the market during the term determined by the Board of Directors (with express powers of substitution), the minimum term being fifteen calendar days following the publication of the announcement of the Execution of the relevant capital increase.

### **1.1.4 Irrevocable commitment to acquire the free allocation rights**

At each Execution the company or, with the company’s backing, the Group company that is determined will assume an irrevocable commitment to

purchase the free allocation rights at the price stated below (the “**Purchase Commitment**”). The Purchase Commitment will be in force and it may be accepted during the term, within the period of negotiation of the rights, determined by the Board of Directors (with express powers of substitution) for each Execution. For such purpose, it is resolved to authorise company, or the relevant Group company, to acquire said free allocation rights (together with the shares corresponding to same), the ceiling being the total rights that are issued, and in any event the legal limitations must be complied with.

The acquisition by ACS of the free allocation rights as a consequence of the Purchase Commitment in each Execution, will be charged to the freely disposable reserve account called voluntary reserves.

The “**Purchase Price**” of each free allocation right will be the one resulting, at each Execution, from the formula below, rounded to the nearest thousandth euro and, in the event there is half a thousandth, it will be rounded to the immediately higher thousandth of euro:

$$\text{Purchase Price} = \text{PreCot} / (\text{No. of rights})$$

#### **1.1.5** Balance sheet for the transaction and reserve to which the capital increase is charged

The balance sheet serving as the basis for the transaction is the one dated 31 December 2013, duly audited and approved by this Annual General Shareholders’ Meeting.

As stated above, the capital increase will be fully charged to the voluntary reserves, which as of 31 December 2013 amounted to 535,528,874.62euros.

#### **1.1.6** Representation of the New Shares

The shares that are issued will be represented by means of book entries, the registration of which is attributed to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and the members thereof.

#### **1.1.7** Rights of the New Shares

The New Shares will give their holders the same voting and dividend rights as the ordinary ACS shares that are currently outstanding as from the dates on which the capital increase is declared as having been subscribed and called up.

#### **1.1.8** Request for listing

It is resolved to request in each Execution the listing of the New Shares in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, via the Stock Exchange Interconnection System (Continuous or Electronic Market), as well as to carry out the necessary proceedings and actions and submit the required documents to the relevant bodies for the listing of the New Shares issued in each Execution as a consequence of the Capital increase that was resolved, and it is expressly placed on record that ACS submits to the existing rules or

those that may be passed in respect of the Stock Exchange and, especially, in respect of contracting, remaining on and exclusion from the official quotations.

#### **1.1.9 Execution of the capital increase**

Within a term of one year from the date of this resolution, the Board of Directors (with express powers of substitution) may state the date(s) on which this capital increase is to be executed (each of those dates will be an execution of the capital increase, taking into account that it can only be executed two times at the very most) and set the conditions of same in everything not provided in the resolution herein. Subject to the foregoing, if the Board of Directors (with express powers of substitution) does not consider it convenient to fully or partially execute the capital increase, it may not execute all or a part of same pursuant to the provisions in article 7 of the Company Bylaws.

Once the negotiation period of the free allocation rights is concluded:

- (a) The New Shares will be allocated will be allocated to those who, according to the book records of Iberclear and the members thereof, are holders of free allocation rights in the proportion established in section 1.1.3 above.
- (b) The Board of Directors (with express powers of substitution) will declare the negotiation period of the free allocation rights closed and it will formalise in the accounts the application of the voluntary reserves in the amount of the capital increase, which will be called up by means of that application.

Likewise, once the negotiation period of the free allocation rights ends, the Board of Directors (with express powers of substitution) will adopt the relevant Company Bylaw amendment resolutions to reflect the new share capital figure and the number of New Shares resulting from each Execution and to request the listing of the New Shares on the Spanish Stock Exchanges.

#### **1.1.10 Delegation for the execution**

It is resolved to delegate to the Board of Directors, in conformity with the provisions in article 297.1. a) the consolidated text of the Spanish Limited Liability Companies Law, the authority to state the date(s) on which this capital increase is to be executed (each of those dates will be times at the very most) and set the conditions of same in everything not provided in the resolution herein. In particular, by way of illustration only, the following powers are delegated to the Board of Directors, with express powers of substitution:

- (i) Setting the Execution dates on which the resolution thus passed of increasing the share capital is to be carried out (on one or two dates), in any event within the term of one year following the approval thereof.
- (ii) Setting the exact amount of the capital increase, the number of New Shares, the Amount of the Executed Option and the free allocation rights

needed for the allocation of New Shares at each Execution, applying for the purpose the rules established by the Meeting and with the possibility, as the case may be, of waiving in each Execution (one or several times) free allocation rights for the subscription of New Shares exclusively for the purpose of making the number of New Shares a whole number rather than a fraction.

- (iii) Designating, on each Execution date, the company or companies that are going to assume the functions of agent and/or financial advisor in relation to each Execution, and to undersign any agreements and documents that are necessary for the purpose.

Setting the term of the negotiation period of the free allocation rights for each of the Executions.

- (v) At each Execution, declaring the part of the capital increase that it was resolved to execute closed and executed.
- (vi) Providing, following each Execution, a new wording for article 6 of the Company Bylaws of ACS, in relation to the share capital, to adapt it to the result of the execution of the capital increase.
- (vii) Waiving, at each Execution, the New Shares corresponding to the free allocation rights held by the company at the end of the negotiation period of said rights.
- (viii) Carrying out, at each Execution all the proceedings required for the New Shares the object of the capital increase to be recorded with the book records of Iberclear and listed on the Spanish Stock Exchanges.
- (ix) Carrying out any necessary or convenient actions to execute and formalise the capital increase before any public or private, Spanish or foreign companies and bodies, including declaring, supplementing or correcting defects or omissions which might prevent or hinder the full effect of the above resolutions.

The Board of Directors is expressly authorised so that it may in turn delegate, pursuant to the provisions in article 249.2 of the Spanish Limited Liability Companies Law, the powers referred to in this resolution.

## **1.2 Capital reduction via amortisation of treasury shares in connection with the preceding resolution of capital increase**

It is resolved to authorize the Board of Directors to agree to reduce the share capital by means of the amortisation of own shares of the company in a maximum nominal amount equal to the nominal amount that is effectively executed in the capital increase resolved in previous section, charged to profits or unrestricted reserves and setting aside at the time of execution the so-called capital reduction reserve referred to in article 335 c) of the Limited Liability Companies Law.

It likewise resolved to delegate to the Board of Directors (with express powers of substitution), in conformity with article 7 of the Company Bylaws, the execution of this capital reduction resolution. The Board is to execute this resolution, on one or

two dates, simultaneously to each of the Executions of the capital increase resolution mentioned in section above of this same Resolution, carrying out any proceedings, formalities and authorisations that are necessary or required by the Spanish Limited Liability Companies Law and any other applicable provisions; it shall adapt article 6 of the Company Bylaws to the new share capital figure; it must request the said amortisation and the subsequent capital reduction, designating the persons who can take part in the formalisation thereof.

h) In accordance with article 297 of the Consolidated Text of the Spanish Corporations Law, authorise the Company's Board of Directors to increase capital by up to half the Company's share capital at the date of this resolution on one or more occasions, and at the date, in the amount and under the conditions freely agreed in each case, within five years following the date of this Meeting, and without prior approval by the General Shareholders' Meeting. Accordingly, the Board of Directors may set all the terms and conditions under which capital is increased as well as the features of the shares, investors and markets at which the increases are aimed and the issue procedure, freely offer the unsubscribed shares in the preferential subscription period; and in the event of incomplete subscription, cancel the capital increase or increase capital solely by the amount of the subscribed shares.

The share capital increase or increases may be carried out by issuing new shares, whether ordinary shares, shares without voting rights, preferred shares or callable shares, with the corresponding amendment of article 6 of the Company By-laws. The new shares shall be payable by means of monetary contributions equal to the par value of the shares and any share premium which may be agreed.

In accordance with that laid out in article 506 of the Consolidated Text of the Spanish Corporations Law, the power is conferred on the Board of Directors to exclude, fully or partially, the right to preferential subscription with regard to all or some of the issues which may agree to be carried out in virtue of this authorisation, whenever the interests of the company so demand and whenever the nominal value of the shares to be issued, plus the issue premium, which if necessary, is agreed to correspond to the reasonable value of the shares of the Company which result from the report that, at the request of the Board of Directors, an auditor will produce, being distinct from the auditor of the Company, named for these purposes by the Trade Registry each time that it makes use of the power of exclusion of the right of preferential subscription which this paragraph confers on it.

Additionally, the Company's Board of Directors is authorised to request the listing or delisting of any shares issued, in Spanish or foreign organised secondary markets.

The Board of Directors is expressly authorised to delegate the powers described in this resolution.

i) To delegate to the Board of Directors, pursuant to what is established in the applicable legal provisions, the power to issue fixed-income securities, of a simple, exchangeable or convertible nature, as well as warrants on newly issued shares or outstanding shares in the Company or other companies, according to the following guidelines:

1.- The securities that the Board of Directors is authorised to issue may be debentures, bonds, promissory notes and other similar fixed-income securities, both simple and, in the case of debentures and bonds, exchangeable for shares of the Company or any other company in the Group or other companies and/or convertible in shares of the Company or other companies, as well as warrants on newly issued shares or shares of the Company or other companies currently in circulation.

2.- The securities may be issued on one or more occasions at any time during a maximum of five years beginning on the date of this resolution.

3.- The total amount of the issue or issues of securities agreed under this delegation of authority, regardless of their nature, plus the total number of shares listed by the Company and outstanding at the issue date may not exceed a maximum limit of three thousand million euros.

4. - In using the authority that is hereby granted to the Board of Directors, the aforesaid Board will be responsible for determining, for each issue, including but not limited to, the following: the amount within the aforementioned maximum; the location, date and currency of the issue, further establishing the equivalent amount in euros, where applicable; the type of security, whether bonds or debentures, subordinate or not, warrants or any other security permitted under the law; the interest rate and payment dates and procedures; in the case of warrants, the amount and method used, where applicable to calculate the premium and price of exercise; whether the securities are non-redeemable or redeemable and, in the case of the later, the redemption period and the expiration dates; the type of repayment, premiums and lots; any related guarantees; how the securities are represented, whether as certificates or book entries; the right of first refusal, if any, and the subscription scheme; the applicable legislation; request for permission to trade the securities issued in official or unofficial, organised or unorganised, national or foreign secondary markets; the designation, if applicable, of the delegate and approval of the regulations that will govern the legal relationships between the Company and the union of holders of the issued securities.

5.- The following criteria are established for the issue of convertible and/or exchangeable bonds or debentures:

5.1.- The Board of Directors is authorised to determine whether they are convertible and/or exchangeable as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable and, in the latter case, whether they are convertible and/or exchangeable by option of the holder or the issuer with the frequency and for the period of time set forth in the issue agreement, which may be no longer than at most ten years from the date of issue.

5.2.- The Board of Directors is authorised to determine if the issuer reserves the right to decide, at any time, to convert the securities into new shares or to exchange them for shares already in circulation, specifying the nature of the shares granted at the moment of conversion or exchange, whereby the Board of Directors may even decide to exchange or convert the securities for a combination of newly issued and pre-existing shares.

5.3.- The rate of conversion and/or exchange may be fixed, in which case the fixed-income securities shall be appraised at their face value and the shares at a fixed rate of exchange set in



the same resolution of the Board of Directors that is used to exercise this power, or may be a variable rate to be set at the date or dates indicated in the resolution by the Board of Directors in accordance with the market price for the shares concerned on the Stock Exchange on the date(s) or over the period(s) used as a benchmark in the resolution. In all cases, for the purpose of conversion or exchange, the price per share may not be lower than the greater of (i) the arithmetic mean of the closing prices of the shares concerned on the Stock Exchanges where they are listed over a period to be set by the Board of Directors, albeit no longer than three months and no shorter than fifteen days prior to the date that the Board adopts the resolution to issue the fixed-income securities and the closing price of the shares for the day prior to the adoption of the aforementioned issue resolution. The foregoing notwithstanding, the Board of Directors may issue the debentures or bonds with a variable rate of conversion and/or exchange, in which case, for the purpose of conversion or exchange, the price of the shares shall be the arithmetic mean of the closing prices of the company shares in question for a period to be set by the Board of Directors, albeit no longer than three months and no shorter than fifteen days from the date of conversion and/or exchange, with a premium or, as the case may be, a discount on said price per share. The premium or discount may be different for each conversion and/or exchange date of each issue (or of each tranche of an issue, where applicable); however, if a discount is offered on the price per share, the total amount of the discount may not be greater than twenty percent.

5.4.- Where applicable, any fractions of a share that should be given to a holder of debentures shall be rounded down to the immediately preceding whole number. Should this be the case, the difference will then be paid out to every debenture holder.

5.5.- In accordance with the provisions of article 415.2 of the Spanish Corporations Law, debentures may not be converted to shares when the face value of the debentures is lower than the face value of the shares. In addition, the share value may never be lower than its face value.

5.6.- When approving the issue of convertible or exchangeable debentures or bonds, the Board of Directors shall issue a Directors report to develop and specify, on the basis of the criteria described above, the base principles and modes of conversion that specifically apply to said issue. This report must be accompanied, where applicable, by the pertinent report from the account auditors envisaged in articles 417 and 511 of the Spanish Corporations Law. Moreover, said reports must be made available to the shareholders and, as the case may be, to the holders of the convertible or exchangeable fixed-income securities and the warrants and must be notified to the first General Meeting held after the resolution to carry out the issue.

6.- By analogy with the provisions of the Spanish Corporations Law pertaining to convertible debenture issues, the following criteria are established for the issue of warrants:

6.1.- The warrants that are issued may entitle their holders to subscribe new shares in the Company or other companies and/or to acquire outstanding shares in the Company or other companies, and the Board of Directors shall be authorised to determine this.

6.2.- The deadline for exercising the issued securities shall be determined by the Board of Directors and may be no longer than ten years from the date of issue.

6.3.- The Board of Directors may establish whether the Company reserves the right to require the holder of the warrant to subscribe newly issued shares or acquire shares that are already in circulation at the moment he or she exercises the warrant and may even hand over a combination of newly issued and pre-existing shares. In all cases, the Company must guarantee equal treatment of all warrant holders who exercise their warrants on the same date.

6.4.- The price of exercising the warrants shall be determined by the Board of Directors in the resolution regarding their issue or shall be determined at the date or dates indicated in the resolution by the Board of Directors in accordance with the market price for shares of the company in question on the Stock Exchange on the dates or over the periods used as a benchmark in the resolution. The exercise price may be variable depending on when the warrant is exercised. In all cases, the price of the share in question may not be lower than the greater of (i) the arithmetic mean of the closing prices of the company shares in question on the Stock Exchange over a period to be set by the Board of Directors, albeit no longer than three months and no shorter than fifteen days prior to the date that the Board adopts the resolution to issue the warrants and (ii) the closing price of the shares on the Stock Exchange for the day prior to the adoption of the aforementioned issue resolution. The sum of the premium or premiums paid for each warrant and their exercise price may not be lower than the market price of a Company share, viewed in accordance with the provisions of the prior paragraph, or lower than the face value of a Company share.

6.5.- When approving the issue of warrants, the Board of Directors shall issue a Directors report to develop and specify, on the basis of the criteria described above, the base principles and modes of conversion that specifically apply to said issue. This report must be accompanied, where applicable, by the pertinent report from the account auditors envisaged in articles 417 and 511 of the Consolidated Text of the Spanish Corporations Law. Moreover, said reports must be made available to the shareholders and, as the case may be, to the holders of the convertible and/or exchangeable fixed-income securities and/or the warrants and must be notified to the first General Meeting held after the resolution to carry out the issue.

7.- In all cases, the authorisation of the Board of Directors to issue warrants and convertible or exchangeable debentures includes but is not limited to the following powers:

7.1.- The power to increase the share capital by the amount needed to meet the requests for conversion of convertible shares or the exercise of warrants over new shares. This power may only be exercised to the extent that when summing the amount of the capital increase to satisfy the issue of convertible bonds or debentures or the exercise of warrants on new share issues plus the remaining share capital increase resolved by virtue of the authorisations granted by the General Meeting, the Board of Directors does not exceed the limit of half of the capital of the Company envisaged in article 297.1 b) of the Consolidated Text of the Spanish Corporations Law. This authorisation to increase the share capital includes the authorisation to issue and put in circulation, on one or more occasions, shares representing the amount of capital needed to realise the conversion or exercise as well as the authorisation to rewrite the article of the Company By-laws related to the amount of capital and, if necessary, to cancel part of the share capital increase that was not needed for the conversion into shares

or the exercise of the warrants.

7.2- The power to eliminate, by virtue of the provisions of articles 417 and 511 of the Consolidated Text of the Spanish Corporations Law, the right of first refusal of shareholders, holders of warrants or holders of convertible or exchangeable debentures or bonds if necessary to bring in financial resources in national or international markets or if doing so is otherwise in the best interest of the Company. In any case, if the Board of Directors decides to eliminate the right of first refusal for a specific issue of convertible bonds or obligations or warrants over any new share issue that it may resolve by virtue of this authorisation, when issuing approving the issue, it must also issue a report detailing the specific reasons why doing so is in the best interest of the Company. This report shall be subject to a parallel report by the account auditor referred to in articles 417 and 511 of the Consolidated Text of the Spanish Corporations Law. These reports must be made available to the shareholders and to the holders of the convertible or exchangeable bonds or debentures and must be notified to the first General Meeting held after the resolution to carry out the issue.

7.3.- The power to develop and specify the base principles and modes of conversion, exchange or exercise on the basis of the criteria set forth above.

8.- In the following General Meetings held by the Company, the Board of Directors shall inform the shareholders if and when it has made use of the powers delegated by virtue of this resolution.

9.- The Board of Directors is expressly authorised to guarantee on behalf of the Company all manner of obligations that may derive for its subsidiaries as the result of issues of fixed-income securities (debentures, bonds, promissory notes or any other such security) and warrants by said subsidiaries, for a maximum of up to five years from the date of this resolution.

10.- Where applicable, the Company shall request the admission of the debentures, bonds and other securities issued by virtue of this authorisation in official or unofficial, organised or unorganised, national or foreign secondary markets, and the Board of Directors shall have the power to perform any and all actions that are necessary or pertinent to achieve this end. It is hereby expressly stated for the record that should it later request that the securities issued by virtue of this authorisation no longer be traded on the market, said exclusion shall be adopted with the same formalities referred to in said article, and in this case, the Company shall guarantee the interest of any shareholders or holders of bonds or debentures who oppose or do not vote for the resolution, duly fulfilling all provisions of the applicable legislation.

j) Authorisation for the acquisition of own shares and for the reduction of the share capital:

Rendering void the authorisation granted in a resolution of the General Shareholders' Meeting of the company held on 10 May 2013, and pursuant to the provisions in articles 146 and related articles and 509 the Consolidated Text of the Spanish Limited Liability Companies Law, it is resolved to authorise the Board of Directors of the company and the Boards of Directors of the affiliates so that, during a term of one year from the date of this Meeting, which will be deemed to be automatically extended for identical periods up to a maximum of five years, unless the General Meeting resolves otherwise, and according to the conditions and requirements provided in the laws in force, they may acquire, at any time

and as many times as they deem appropriate and by any means allowed by law, charged to profits for the year and/or freely disposable reserves, shares of the company, the nominal value of which added to that of the shares already held by the company and by its affiliates is not to exceed 10% of the share capital in issue or, as the case may be, of the maximum amount authorised by the law in force from time to time. The minimum price and the maximum price will respectively be the nominal value and the weighted average price corresponding to the last trading session prior to the transaction increased by 20%.

The Board of Directors of the company and the Boards of Directors of the affiliates are also authorised, for the term and according to the conditions established in the preceding paragraph, insofar as it is applicable, to acquire shares of the company by means of loans, at no expense or for a consideration, at an arm's length basis considering the market conditions and the characteristics of the transaction.

Express authorisation is provided so that the own shares acquired by the company or its affiliates under this authorisation may be destined fully or partially: (i) to the disposal or amortisation thereof, (ii) to be delivered to workers, employees or directors of the company or of the group, when there is a vested right, either directly or as a consequence of the exercise of the option rights which they hold, for the purpose established in the last paragraph of article 146.1 a), the Consolidated Text of the Spanish Limited Liability Companies Law, and (iii) to dividend reinvestment plans or similar instruments.

For the purpose of amortising treasury shares and delegating the execution thereof to the Board of Directors in conformity with what will be stated below, it is resolved to reduce the share capital, charged to profits or freely unrestricted reserves, by an amount equal to the total nominal value of the treasury shares that the company holds, directly or indirectly, on the date the agreement to be adopted by the Board of Directors.

Pursuant to article 7 of the Company Bylaws, the execution of the capital reduction herein is delegated to the Board of Directors (with express powers of substitution), and said execution may be carried out one or several times, within the maximum term of five years following the date of this resolution, carrying out any proceedings, formalities and authorisations that are necessary or required by the Spanish Limited Liability Companies Law and any other applicable provisions. The Board of Directors is specifically authorised so that, within the above-mentioned term and limits, it may (i) set the date(s) of the specific capital reduction(s), taking into consideration the market conditions, the share price, the company's economic and financial situation, its cash situation, reserves and business development, and any other aspects that should reasonably be considered; (ii) specify the amount of each capital reduction; (iii) determine the destination of the amount of the reduction, either to non-disposable reserves or to freely disposable reserves, furnishing guarantees, as the case may be, and meeting the requirements established by law; (iv) adapt article 6 of the Company Bylaws to the new amount of the share capital; (v) request the delisting of the amortised shares and, generally, adopt any resolutions required for the purpose of said amortisation and the subsequent capital reduction, designating the persons who can take part in the formalisation thereof.

The execution of this capital reduction will be subordinated to the execution of the capital reduction by amortisation of treasury stock proposed to the Annual General Shareholders' Meeting under item 7 of the Agenda, such that in no event may it prevent the execution of said resolution pursuant to the provisions therein.

k) To authorise, indiscriminately, any of the members of the Board of Directors so that they may execute to the necessary extent the resolutions that have been adopted, undersigning any public or private documents that are necessary or appropriate for the purpose, and even so that they may correct them for the sole purpose of having them recorded with the relevant Mercantile Registry.