

INTERNAL CODE OF CONDUCT OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND ITS GROUP OF COMPANIES IN MATTERS RELATING TO THE SECURITIES MARKETS

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I.- INTRODUCTION

On 27 September 1994, the Board of Directors of Fomento de Construcciones y Contratas, S.A. (hereinafter "F.C.C.") approved an Internal Code of Conduct in compliance with the provisions of Royal Decree 629/1993, of 3 May, on rules of action in the securities markets and obligatory registers. That Regulation was revised by the Board of Directors on 30 May 1995.

Following the entry into force of Law 44/2002, of 22 November, on measures to reform the financial system, and in application of Additional Provision Four of that Law, on 17 June 2003, the Board of Directors of F.C.C. approved a revised "Internal Code of Conduct of Fomento de Construcciones y Contratas, S.A. in matters relating to the securities markets".

Following the entry into force of Royal Decree 1333/2005, of 11 November, implementing the market abuse provisions of the Securities Market Law (Law 24/1988, of 28 June), and of Law 6/2007, of 12 April, reforming the Securities Market Law (Law 24/1988, of 28 June) to modify the regulations governing takeover bids and issuer transparency, and other implementing regulations (Royal Decree 1362/2007, of 19 October), it was considered advisable to update the Internal Code of Conduct; the updated text was approved by the company's Board of Directors on 31 October 2007.

On 12 May 2008, the Board of Directors approved an amendment to the definition of Senior Executive in this Regulation in order to adapt it to the definition contained in article 2.2 of the Regulations of the Board of Directors, as amended by the Board on that same date.

Finally, on the occasion of the entry into force of *Order EHA/1421/2009, of 1 June, implementing article 82 of Act 24/1988, of 28 July, on the Securities Market, regarding significant information*, and of *Circular 4/2009, of 4 November, of the Comisión Nacional del Mercado de Valores, on disclosure of significant information*, the Board of Directors decided on 27 January 2010 to update this Regulation in order to adapt it to the provisions of those regulations, considering also the "*Criteria for handling news and rumours about listed securities* " and the "*Guide for action on the transmission of inside information to third parties*", published by the CNMV in February and March 2009, respectively.

II.- DEFINITIONS

For the purposes of this Internal Code of Conduct, the following definitions shall apply:

Directors and Senior Executives of the F.C.C. Group.- Members of the Board of Directors of F.C.C. and the parent companies of its various divisions, as listed in Annex 1 of this Internal Code of Conduct (including the Secretary and Vice-Secretary of those Boards), and persons performing senior executive functions in those companies. The definition of senior executive covers the Chairs and CEOs of the companies listed in Annex 1 as well as executives who report directly to the Board or first executive of F.C.C. and, in any case, the internal auditor.

Persons not meeting the foregoing conditions who are nonetheless declared by the Board of

Directors to be Senior Executives, following a favourable report by the Nominations and Remuneration Committee, will be classified as such.

External advisors.- Natural or legal persons not classified as Directors or Senior Executives of the F.C.C. Group who provide financial, legal, consulting or any other type of service to the F.C.C. Group companies, under a relationship regulated by civil or mercantile law, as a result of which they become privy to Inside Information.

F.C.C.- Fomento de Construcciones y Contratas, S.A., a company registered in the Barcelona Mercantile Register in Tome 21.726, Folio 1, Page B-26.947, with registered offices in Barcelona, calle Balmes, 36, and fiscal identification number (N.I.F.) A-28037224.

Subsidiary.- Any controlled or dependent company which, with respect to F.C.C., is in the situation envisaged in article 42 of the Commercial Code.

F.C.C. Group- F.C.C. and all its subsidiaries which are in the situation with respect to it that is described in article 42 of the Commercial Code.

Inside Information.- Any specific information that refers directly or indirectly to one or more marketable securities or financial instruments regulated under the Securities Market Law or to their issuers and has not been made public and which, if it were made public, might have or might have had a significant influence on the market price of such securities or financial instruments. The foregoing is also applicable to marketable securities or financial instruments for which an application has been made for listing in a market or organised trading system.

For the purposes of the preceding paragraph, the term "market price" shall refer not only to the price of the issuer's securities or financial instruments but also to the market price of derivative financial instruments related to them.

The information will be deemed to be specific if it describes a number of circumstances that are fulfilled or may be reasonably expected to be fulfilled, or an event that has occurred or may be reasonably expected to occur, where that information is sufficiently specific to enable a conclusion to be drawn as to the possible effect of that series of circumstances or events on the price of the restricted securities and instruments or of derivative financial instruments related to them, as the case may be.

Information will also be considered to be capable of having a significant influence on the market price when such information might be used by a reasonable investor as the basis for investment decisions.

Regulated Information.- Regulated information includes:

a) The periodical information regulated in articles 35 and 35 *bis* of the Securities Market Law (Law 24/1988, of 28 June).

b) Information relating to significant holdings and to transactions by the issuer with its own shares in the terms of articles 53 and 53 *bis* of the Securities Market Law (Law 24/1988, of 28 June).

c) Information relating to the total number of voting rights and capital at the end of each calendar month during which there was an increase or decrease as a result of changes in the total number of voting rights as referred to in the second paragraph of article 53.1 of the Securities Market Law (Law 24/1988, of 28 June), and as established in that paragraph.

d) The significant information referred to in article 82 of the Securities Market Law (Law 24/1988, of 28 June).

Significant Information.- Any fact or decision the knowledge of which may encourage an investor to acquire or transfer securities or financial instruments issued by any company in the F.C.C. Group and which, therefore, may have a significant influence on the market price of such securities or instruments.

To assess the potential significance and the classification of information as Significant Information, the criteria and rules established for this purpose in the applicable legislation will be considered, among other factors.

Restricted Persons.- Those persons who are bound by the provisions of the Internal Code of Conduct, as referred to in Section III below.

Related Parties.- In connection with the Directors and Senior Executives, they are:

a) Their spouse or any other person with whom they have a relationship analogous to a conjugal one under domestic legislation.

b) Their dependent children.

c) Relatives who cohabit with them or are dependent upon them, where that situation existed from at least one year prior to the transaction.

d) Any legal person or any fiduciary situation in which the directors, senior executives or the persons listed in the preceding paragraphs hold management positions or are in charge of management; or which is directly or indirectly controlled by the director or senior executive; or which was created for his/her benefit; or whose economic interests broadly coincide with those of the director or senior executive.

e) "Straw men". They are defined as persons who, in their own name, perform transactions in the securities on behalf of a director or executive who is subject to disclosure obligations. A party will be deemed to be a "straw man" if the party subject to disclosure requirements bears part or all of the risks inherent in the transactions that are made.

Restricted Securities and Instruments:- This Code of Conduct applies to the securities and instruments set out in section IV.

III.- PARTIES TO WHOM THIS CODE APPLIES

3.1. Restricted Persons.

Except as specifically indicated otherwise, this Internal Code of Conduct will apply, in the terms and with the scope indicated in each case, to:

- (i) Directors and Senior Executives of the F.C.C. Group and the staff of their respective secretariats.
- (ii) External advisors.
- (iii) The General Manager of Corporate Development and the staff of the Stock Market and Investor Relations Departments of the F.C.C. Group, and any other staff member with tasks or functions connected to the securities market.
- (iv) The Head of Corporate Responsibility.
- (v) Any other person to whom the Code is made applicable by virtue of a decision of the Code of Conduct Steering Committee or of the Board of Directors, based on the circumstances of each case.

3.2. Register of Restricted Persons.

The Steering Committee will, at all times, keep an up-to-date register of the persons bound by this Internal Code of Conduct, which will be at the disposal of the CNMV upon request.

The Steering Committee will inform the Restricted Persons of their inclusion in that register, and they must acknowledge receipt of that notice.

IV.- SECURITIES TO WHICH THIS CODE APPLIES

The Securities and Instruments to which this Code of Conduct applies (Restricted Securities) are as follows:

- a) Shares issued by F.C.C. or its subsidiaries and securities equivalent to such shares, and any other type of marketable security giving entitlement to acquire them by conversion or by the exercise of the rights they confer, that are listed on a Stock Exchange or other organised secondary market or for which an application has been made for listing in such markets.
- b) Bonds issued by F.C.C. or its Subsidiaries, or any other securities that acknowledge or create a debt-claim, that are listed on a Stock Exchange or other organised secondary market or for which an application has been made for listing in such markets.
- c) Financial instruments and contracts whose underlyings are marketable securities or financial instruments issued by F.C.C. or its Subsidiaries and that give entitlement to acquire or subscribe for such marketable securities.

V.- RULES OF CONDUCT IN RELATION TO THE AFFECTED SECURITIES AND

INSTRUMENTS

5.1. Compliance with the Securities Market legislation.

Restricted Persons, within the scope of application of this Code, must obey the rules of conduct contained in the Securities Market Law and its implementing regulations, present and future.

5.2. Transaction disclosure.

In general, and without prejudice to any obligation to disclose directly to the CNMV and the Stock Market Management Companies, when the Company's Directors and Senior Executives subscribe, buy or sell Restricted Securities or Instruments for their own account, they must present, through the Corporate Responsibility Department, within the three stock market days following the date of such transaction, a disclosure of the transaction indicating the date, amount and price of the share or bond, and the market where it was performed. The Corporate Responsibility Department will send a copy of the disclosure to F.C.C.'s Stock Market and Investor Relations Department.

Transactions performed by Related Parties are deemed to be equivalent to operations performed for their own account by Restricted Persons and must also be disclosed.

Directors and Senior Executives will be obliged to disclose through the Corporate Responsibility Department, to F.C.C.'s Stock Market and Investor Relations Department, any Securities or Instruments held by them or by Related Parties within at most three stock market days from the date on which they acquired that status, counting from the stock market session following the date upon which they accepted their appointment.

Directors must also inform F.C.C.'s Stock Market and Investor Relations Department, through the Corporate Responsibility Department, of the proportion of voting rights, regardless of the percentage they represent, which they own following the acquisition or sale of shares or voting rights, and of financial instruments giving entitlement to acquire or sell voting shares. This disclosure obligation also applies at the time of appointment or removal as Director; in the case of appointments, the obligation applies from the stock market session following the date of acceptance of the position.

The Stock Market and Investor Relations Department will keep a record of the notices received in compliance with the preceding paragraphs.

5.3. Portfolio management contracts.

It is not necessary to disclose transactions that are ordered, without any intervention of a Restricted Person, by entities to which such persons have entrusted the management of their securities portfolios on a stable basis.

Nevertheless, Directors and Senior Executives of the Company who enter into portfolio management contracts will be obliged to:

- Notify the existence of the contract and the identity of the portfolio manager to the Corporate Responsibility Department. If, upon the entry into force of this Internal Code of Conduct, they have already entered into a contract of this type, they must disclose it within fifteen days from the date of entry into force.
- Give instructions in writing to the portfolio management to inform the Steering Committee of any transaction performed, under the portfolio management contract, in securities of F.C.C. or its

subsidiaries that are listed on organised markets.

5.4 Lock-up and restricted periods.

In no event may Securities or Instruments be bought and re-sold on the same day.

Additionally, Directors and Senior Executives may not transact with Restricted Securities or Instruments issued by F.C.C. or any of its subsidiaries in the following cases:

- (i) in the fifteen days prior to the estimated date of publication of the quarterly, half-yearly and annual results of F.C.C. or any of its listed Subsidiaries. The estimated dates for publication of results, which will be publicised appropriately, will be those determined generally by F.C.C.; and
- (ii) at any other time to be determined by the Board of Directors or the Steering Committee, which will be notified to the Restricted Persons as soon as possible.

The Steering Committee may, exceptionally, authorise transactions during the aforementioned periods where there is just cause and the applicant first declares that he/she is not in possession of Inside Information.

5.5. Prohibition of actions that distort price discovery.

Restricted Persons must not prepare or perform actions or practices that may distort free price discovery for the Restricted Securities and Instruments. In particular, the following will be considered as potentially distorting price discovery: the practices and actions set out in article 83 *ter* of the Securities Market Law and its implementing regulations. In particular:

a) Transactions or orders:

- Which provide or may provide false or misleading indications as to the supply, demand or price of marketable securities and financial instruments.
- Which guarantee, by means of one or more persons acting in concert, the price of one or more financial instruments at an abnormal or artificial level, unless the person who performed the transactions or issued the orders proves the legitimacy of his/her reasons and shows that these reasons were in accordance with the accepted practices in the regulated market in question.

b) Transactions or orders which employ fictitious means or any other manner of deception or scheming.

c) Dissemination, through the media—including the Internet—or by any other means, of information which provides or may provide false or misleading indications regarding financial instruments, including the spreading of false or misleading rumours and news, when the person that disclosed said rumours and news knew or should have known that the information was false or misleading.

Nevertheless, the definition in the preceding paragraph does not refer to transactions with own shares in the context of buyback programmes by the issuers or to the stabilisation of a marketable security or financial instrument, provided that it is done in accordance with current legislation, or

generally to transactions carried out in accordance with the applicable regulations.

5.6. Archiving of disclosures.

The notifications, notices and any other action related to the obligations contained in this Internal Code of Conduct must be duly archived.

The data contained in those archives will be strictly confidential.

VI.- RULES OF CONDUCT IN CONNECTION WITH SIGNIFICANT INFORMATION AND INSIDE INFORMATION

6.1. General rules.

Restricted Persons and, generally, persons in possession of Inside or Significant Information must comply strictly with the provisions of article 81 *et seq.* of the Securities Market Law and any regulations that complement or replace it in the future, and with those contained in this Code of Conduct.

6.2. Handling of Significant Information.

a) Disclosure to the market and internal procedure.

F.C.C. is obliged to immediately disclose Significant Information to the market by means of a communiqué to the CNMV; Significant Information is that whose knowledge might encourage an investor to acquire or sell securities or financial instruments issued by any F.C.C. Group company. Where F.C.C. considers that the Significant Information should not be made public because it affects the group's legitimate interests, it must immediately notify the CNMV, which may exempt it from that obligation as provided in article 82.4 of the Securities Market Law.

This disclosure duty does not apply to actions of studying, preparing and negotiating prior to the adoption of decisions or to ongoing negotiations or related circumstances where the outcome or normal conduct of the negotiations might be affected by public disclosure of the information, or to decisions adopted or agreements signed by the governing body of F.C.C. or its Subsidiaries that require approval by another organ of the F.C.C. Group in order to be enforceable, provided that public disclosure prior to such approval might jeopardise a proper appraisal of the information by the market.

Nevertheless, F.C.C. must immediately disclose such information if it is not in a position to guarantee its confidentiality.

The communiqué to the CNMV must be made at the same time as the news is disseminated by any other means and as soon as the event becomes known, the decision is adopted, or the agreement or contract with third parties is signed, whether or not the Significant Information originated inside F.C.C. Nevertheless, where the Significant Information may perturb trading in the Restricted Securities or Instruments or jeopardise investors' interests (i.e. where dissemination of the information can be expected to create extraordinary changes in the market price of the securities), the Significant Information must be notified to the CNMV prior to publication.

The content of that communiqué must be truthful, clear, complete and, if so required by the nature of

the information, quantified so as not to confuse or mislead. The communiqués must conform to the applicable legislation in terms of content, means and forms.

Where there is a subsequent event or decision that is significant and arises from the Significant Information, is a consequence or continuation of same, entails a change or rectification of same or in any way completes, alters or cancels the Significant Information that was initially disclosed, another communiqué must be released immediately to the market in the same way, and it must clearly identify the original communiqué that is altered, completed or rectified, and the nature of the changes, but in no event shall the second communiqué constitute a replacement of the original communiqué.

Where F.C.C. considers nonetheless that the content of a published communiqué leads to error in such a way that cannot be remedied by means of a subsequent communiqué or where it contains data that were disseminated by mistake and do not constitute Significant Information, a reasoned application will be made to the CNMV to delete that communiqué.

In any event, the Regulatory Disclosures will be posted on F.C.C.'s web site in identical terms to those which were notified to the CNMV. Steps will be taken to ensure that this information is disseminated free of charge in a form that is comprehensible, direct and readily-accessible free of charge by shareholders.

Restricted Persons who are in possession of Significant Information must ascertain whether it has been duly disclosed to the CNMV.

b) Interlocutor with the CNMV.

F.C.C. will appoint one or more interlocutors vis-à-vis the CNMV to respond effectively and with sufficient speed to queries, checks or requests for information related to the dissemination of Significant Information.

That appointment, and any change that is to take place in connection with the authorised interlocutors, will be notified to the CNMV in the form and time periods established by law.

c) Disclosure to third parties.

Restricted Persons are forbidden to provide information that is classified as Significant Information to analysts, shareholders, investors or the press unless it is provided to the broad market beforehand or at the same time.

In order to avoid the dissemination of Significant Information other than simultaneously with dissemination to the market, all meetings of a general nature with analysts, shareholders or investors and conference calls and interviews with the media in which new information is given about the company's progress or business prospects must be planned in advance. Also, those meetings must be announced publicly by means of a disclosure to the CNMV at least two hours beforehand. The documentation to be delivered in such meetings must be distributed before the meeting commences via the F.C.C. web site and a disclosure to the CNMV.

Where F.C.C. or Restricted Persons reveal Significant Information in the normal course of their work, profession or duties, they must make it public in full and simultaneously, if disclosure was intentional, or promptly, if disclosure was unintentional.

The provisions of the preceding paragraph will not apply if the person receiving the information is

bound by a duty of confidentiality, regardless of whether that duty is established by law, regulation, by-law or contract.

d) Managing news and rumours

F.C.C. will continuously monitor market price and trading volumes of the Restricted Securities or Instruments and any news about them appearing in the media and in professional economic newsfeeds of which it should reasonably be aware.

Where it detects a report or rumour referring to F.C.C. and/or its Restricted Securities or Instruments that makes reference to information that has not been previously disclosed by means of a Regulatory Disclosure, the Steering Committee or the person in whom it delegates will analyse the veracity and relevance of the report or rumour and, if appropriate, will issue a Regulatory Disclosure in order to provide clear and accurate information about the issues to which the report or rumour refers.

6.3. Inside Information.

a) Prohibition on use.

All Restricted Persons and, generally, anyone in possession of Inside Information must comply strictly with the provisions of article 81 of the Securities Market Law and any regulations that complement or replace it in the future. In particular, until such information ceases to be classified as Inside Information due to having been published or made public, the Restricted Persons who are in possession of it or have access to it must not perform any of the following actions, directly or indirectly, on their own behalf or on that of third parties:

- Prepare or perform any type of transaction with the Restricted Securities or Instruments to which the information refers.

The exceptions to this rule are as follows: the preparation and performance of transactions whose existence constitutes the Inside Information and the transactions performed to fulfil an obligation which has fallen due to acquire or sell Restricted Securities or Instruments, when that obligation arises from an agreement entered into before the Restricted Person was in possession of the Inside Information, or other transactions performed in accordance with the applicable regulations.

- Divulge or disclose such information to third parties except in the normal course of their work, position or profession.

Restricted Persons will be understood to be acting within the normal scope of their work, position or profession when they disclose information:

- a) To the governing bodies and management of the F.C.C. Group for the proper performance of their functions and discharge of their duties.
- b) To External Advisors of the F.C.C. Group, to enable them to duly carry out the mission entrusted to them.

- Recommend or advise third parties to buy or sell marketable securities or financial instruments or have others buy or sell them based on such information.

b) Procedure. Register of insiders.

While any legal or financial transaction that may have an appreciable influence on the securities of F.C.C. or its Subsidiaries is being considered or negotiated, the company must limit the information strictly to those persons, inside and outside the organization, whose participation is indispensable (insiders) and, consequently, deny access to the information to all others who do not have a need to know.

To this end, the heads of the area where the Inside Information is produced or received must immediately inform the Steering Committee, via the Corporate Responsibility Department, on a case-by-case basis, of the corresponding event, transaction or proposed decision and the persons inside and outside the Company who are privy to the Inside Information and who have been given partial or total access to that information.

On that basis, the Steering Committee, working through the Corporate Responsibility Department, will keep a record of persons who are privy to the Inside Information, in strict compliance with the provisions of article 83 *bis* of the Securities Market Law and other legislation that implements or replaces it in the future. That documentary record will be updated (i) when there are changes in the reasons for which a person is entered in the register; (ii) when it is necessary to add a new person to the register; and (iii) when a person listed in the register ceases to have access to the Inside Information; in such case, the date of that event will be registered.

The documentary record will list the names of the insiders, the reason why they are classified as such, and the date upon which each one became aware of the information, as well as the date of creating and updating the list of insiders and any other datum required by current legislation.

The Steering Committee will expressly notify the persons on the register of the nature of the information and their duty of secrecy, of the prohibition on making use of the information, and the penalties for breach, and it will notify insiders of the identity of the other persons who are insiders with respect to each given transaction.

Restricted Persons must notify the Steering Committee, through the Corporate Responsibility Department, of any changes in their particulars on file, within the five business days following the date on which the change took place.

It is the responsibility of the Steering Committee to decide to close the register of insiders with regard to a given transaction, based on reports at any given time from the heads of the area where the Inside Information was produced, and it must inform the affected insiders of this and of its consequences.

Without prejudice to the foregoing, if there are abnormal trading volumes or prices and there are rational signs that such performance is due to premature, partial or distorted disclosure of the transaction, a regulatory disclosure must be issued immediately that clearly and precisely indicates the status of the transaction under way or that advances the information to be issued, without prejudice to the provisions of article 82.4 of the Securities Market Law.

c) Treatment

(i) *General Principle.*

Restricted Persons must safeguard all of the information and data of which they have knowledge that pertains to F.C.C. or to securities issued by its Group companies,

notwithstanding their obligation to inform, and collaborate with, the legal and administrative authorities under the terms of the law.

Such persons must also prevent such data and information from being abused or misused, and must report any cases of such abuse or misuse and immediately take the necessary steps to prevent, avoid and, as the case may be, remedy the consequences that may arise.

(ii) Identification.

The head of the area in which the Inside Information is produced or received must assign a code name to the transaction to which the Inside Information refers. That name must be used in all communications referring to that transaction or information, in such a way that it is not possible to identify the parties involved or the characteristics of the transaction.

All material media (documents, texts, reports, software, files, etc.) and e-mails, envelopes and faxes containing Inside Information must be clearly and visibly labelled "F.C.C.-RESTRICTED-SECRET".

(iii) Restricted access.

The Inside Information may only be accessed with prior authorisation, and access will be restricted to the persons listed in the register of insiders with respect to the transaction in question.

To this end, the following measures will be adopted, among others:

- Documents in electronic form that contain Inside Information must be encrypted where possible using an encryption key known only to the insiders participating in the transaction.
- Restricted access areas will be established in the computer network to prevent unauthorised access to the documents and media containing Inside Information.
- Only computers equipped with an appropriate security system may be used, even when working remote from outside the office, and the access codes to the insiders' computers may not be shared with persons who are not insiders.
- Whenever appropriate, a closed work room will be established in the restricted access areas. When they are not in use, the documents containing Inside Information will be kept in a separate location guarded with protective measures.
- Work materials (computer screens, papers on desks) which might reveal information regarding the existence or content of the transaction must not be left in the sight of unauthorised persons.

(iv) Transmission and custody.

Where Inside Information is to be transmitted, the appropriate measures must be adopted to prevent it coming to the knowledge of parties who are not registered insiders with respect to the transaction in question.

The following measures, among others, will be adopted for this purpose:

- Documents containing Inside Information must be marked with a reference number, bar code or specific mark for each recipient of Inside Information.
- Documents containing Inside Information may only be copied with prior approval from the head of the area where the information was generated in connection with the transaction in question.
- Insiders must not talk, even using code names, with other insiders, about the Inside Information or handle material containing such information (presentations or documents in hard or electronic copy) in public places where they might be heard or seen by third parties.
- When travelling with portable devices containing Inside Information, the device to be carried must be labelled unequivocally but discreetly and its location must be controlled at all times. The Steering Committee must be notified immediately in the event of loss or theft of the portable device.
- Where appropriate, information barriers will be established between different departments or even within a department.
- Strict security measures must be applied when using communications that can be insecure, such as mobile telephones, fax or e-mail.
- Screensavers must be kept active on computers and automatic locks set on mobile devices (laptops, PDAs, mobile phones with e-mail) which trigger after a few moments of inactivity.
- The most suitable measures must be used to ensure direct reception of confidential documents by the correct addressee. In particular, information should not be sent to devices that are not being used at that time or to which persons other than insiders may have access.

(v) Destruction.

The documents and media containing Inside Information must be destroyed when no longer required, and a list must be drawn up with sufficient identification of the documents and media that are destroyed.

d) Disclosure to third parties.

The disclosure of Inside Information to third parties outside of F.C.C. must be minimised and, where necessary, done as late as possible. In any event, the Steering Committee or the person designated by the Committee must authorise any such disclosure beforehand.

Where Inside Information is disclosed to third parties, the following measures must be adopted:

- Prior to disclosure, unless they are bound by laws, by-laws or codes of professional conduct that impose a duty of secrecy, the external recipients must sign a non-disclosure agreement (NDA) in which they acknowledge to F.C.C. that they are aware of the restricted nature of the information that they are to receive and the specific conditions under which they must keep it secret and those in which they may divulge it

to other external persons, in which case they must notify the recipient of the restricted nature of the information and obtain from them an NDA that is equivalent to the one entered into with F.C.C., a copy of which must be sent to F.C.C.

- The content and implications of the NDA will be explained verbally to the external recipient, particularly when the third party in question may not be familiar with the applicable legal framework.
- The external third party's duty of secrecy will subsist until such time as determined by the Steering Committee or until all the essential elements of the Inside Information become publicly available; in other words, until it has been disclosed in the form of a Regulatory Disclosure and the necessary time, as determined by the Steering Committee, has elapsed for the market to be aware of the full details.
- Furthermore, the following persons and entities shall be bound to secrecy: (i) Those persons external to F.C.C. with whom the latter contacts during a preliminary phase and who are given a general overview of the transaction in order to request financing or advisory services, but who do not ultimately participate in the transaction. The warning about the restricted nature of the information will be repeated at the time the entity is notified that it has not been awarded the finance or consulting contract; and (ii) External recipients of Inside Information who cease to provide services to the company before the transaction in question is completed, suspended or cancelled.

VII.- TRANSACTIONS IN OWN SECURITIES.

Transactions in own securities are transactions in the Company's own shares or in derivative instruments whose underlyings are such shares. Such transactions may be made by the Company directly or through investees.

Own shares must be managed in accordance with the following principles:

- a) Purpose. The purpose is to provide investors with sufficient liquidity and depth of trading in the securities, minimise any temporary mismatches between supply and demand in the market, execute programmes to buy back own shares that are approved by the Board of Directors or by the General Meeting, fulfil legitimate commitments entered into beforehand or any other purpose, provided that the goal is not to intervene in the process of price discovery or to favour certain shareholders of the companies in the F.C.C. Group.
- b) Transparency. Own shares must be managed transparently with respect to supervisors and securities market managers, and any obligations to report or disclose to those bodies must be complied with.
- c) Non-use of Inside Information. Decisions to invest or divest and transactions directly or indirectly relating to own shares must not be a consequence of, or be affected by, the possession of Inside Information.
- d) Neutrality. The Company's actions in the market with respect to own shares must not represent a dominant proportion of trading. Except where the Steering Committee gives specific reasoned authorisation, transactions in own shares may not be made with entities in the Group, their directors or significant shareholders, and simultaneous buy and sell orders may not be given with

respect to the Company's shares.

The Finance Department will be entrusted with managing own shares. The persons comprising the own shares management unit must give a special confidentiality undertaking with respect to own share strategy and transactions.

The unit or person entrusted with managing own shares will have the following functions:

- a) Management of own shares in accordance with the criteria established by the Company's competent bodies and the general principles set out in this Code of Conduct.
- b) Monitoring share performance, with the duty to notify the Steering Committee in the event of any significant variation in the price that is not attributable to normal market factors.
- c) Keeping an archive of all the transactions in own shares that were ordered and performed.
- d) Informing the Steering Committee about any significant incident arising in managing own shares.

VIII. PUBLICATION AND DISSEMINATION OF REGULATED INFORMATION.

F.C.C. will publish the regulated information on its web site and disseminate it simultaneously to the public via the CNMV.

Regulated information includes:

- a) The periodical disclosures regulated in articles 35 and 35 *bis* of the Securities Market Law (Law 24/1988, of 28 June).
- b) Information relating to significant holdings and to transactions by the issuer with its own shares in the terms of articles 53 and 53 *bis* of the Securities Market Law (Law 24/1988, of 28 June).
- c) Information relating to the total number of voting rights and capital at the end of each calendar month during which there was an increase or decrease as a result of changes in the total number of voting rights as referred to in the second paragraph of article 53.1 of the Securities Market Law (Law 24/1988, of 28 June), and as established in that paragraph.
- d) The significant information referred to in article 82 of the Securities Market Law (Law 24/1988, of 28 June).

If the regulated information is disseminated via the CNMV, F.C.C. must file it in full and unamended form. However, in the case of periodic public disclosures, it will be sufficient to indicate the web site where the documents are available.

F.C.C. must also transmit the regulated information to the CNMV in such a way as to guarantee the security of the communication, minimise the risk of data corruption and unauthorised access, and provide certainty regarding the source of the information, and it must remedy, as soon as possible, any fault or perturbation in the transmission of the information that is within its control.

It must be made clear that it is regulated information, clearly identifying F.C.C. as the issuer, stating

the purpose of the regulated information and the date and time of the communication.

In addition to the information indicated in the preceding paragraph, F.C.C. must be in a position to notify the CNMV of the following in connection with the dissemination of regulated information:

- a) The name of the person who provided the information;
- b) The security validation data;
- c) The medium carrying the information that was filed;
- d) Detailed information on any restriction imposed by the issuer with respect to the regulated information.

XI.- CODE OF CONDUCT STEERING COMMITTEE

The body in charge of applying, interpreting and monitoring compliance with the provisions of this Internal Code of Conduct will be a committee known as the Code of Conduct Steering Committee. It will consist of the General Secretary of the F.C.C. Group, who will act as Chairperson, the Head of Internal Audit, the Head of the Stock Market and Investor Relations Department, the Chief Financial Officer, the Head of the Legal Department, and the Head of the Corporate Responsibility Department, who will act as Secretary, in addition to any other persons designated by the Steering Committee to collaborate with it.

In particular, the Steering Committee will have the following functions:

- a) Propose the measures it considers appropriate to control information flows and, generally, ensure due compliance with this Code of Conduct and its guiding principles within the F.C.C. Group, by promoting the establishment and adoption of complementary procedures and rules for this purpose.
- b) Receive from Restricted Persons the notices and disclosures envisaged in this Code, file them in an orderly manner and safeguard them appropriately.
- c) Keep and update the register of insiders as provided in Section VI of this Code.
- d) Without prejudice to the aforementioned register of insiders, keep a list of persons who have access to Inside Information and design the necessary procedures to keep it up to date at all times.
- e) Make periodic checks—based on sampling techniques, if appropriate—to verify that the transactions performed in the market by Restricted Persons are not affected by access to Inside Information and to check, for the purposes of section 5.3 of this Code, that the transactions made under a portfolio management contract are conducted without the intervention of the Restricted Person.
- f) Grant any authorisations envisaged in this Code and keep an appropriate record of authorisations that are given.
- g) Inform the Board of Directors, the Executive Committee, the Audit and Control Committee and the Appointment and Remuneration Committee of any significant incidents that arise in connection with compliance with the provisions of this Code. In any case, at least once per year, it must report generally on compliance with the provisions of this Code.
- h) Perform any other functions assigned to it in accordance with the provisions of this Code.

The members of the Steering Committee and the committee's collaborators are obliged to keep in the strictest confidence any transaction of which they become aware in the course of the duties entrusted to them by virtue of this Internal Code of Conduct in connection with the Securities Markets. The members of the Board of Directors will be subject to the same duty of confidentiality if they have knowledge of such transactions in accordance with the provisions of the preceding paragraph.

The Board of Directors of F.C.C. may, at any time, appoint another person to perform the functions envisaged herein, modifying this Code appropriately.

X.- VALIDITY AND BREACH.

10.1. Entry into force and dissemination.

This Internal Code of Conduct will come into force thirty days after its approval by the Board of Directors. The Steering Committee will communicate the Code, and any subsequent amendments to it, to Restricted Persons and the other companies of the F.C.C. Group whose securities are listed, for approval by their respective Boards of Directors and notification to the Restricted Persons in those companies.

Restricted Persons are obliged to acknowledge receipt of this notice given by the Steering Committee and to declare that they understand and accept the Code.

10.2. Breach.

The failure to comply with the provisions of this Internal Code of Conduct will be considered a violation of employee duties, the seriousness of which will be determined in the ensuing proceeding in accordance with current regulations. Breach by persons bound by this Code who are employees of F.C.C. and/or any of its Group companies will be classified as a fault under labour law.

The foregoing will be without prejudice to the liability that may arise under the Securities Market Law and the civil or criminal liability that be incumbent upon the party in breach.

* *

ANNEX 1

F.C.C. AND THE PARENT COMPANIES OF THE SPECIALISED AREAS (For the purposes of the definition of Directors and Senior Executives of the F.C.C. Group set out in section II of this Code)

- FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
- CEMENTOS PORTLAND VALDERRIVAS, S.A.
- F.C.C. CONSTRUCCIÓN, S.A.
- F.C.C. MEDIO AMBIENTE, S.A.
- F.C.C. VERSIA, S.A.
- AQUALIA GESTION INTEGRAL DEL AGUA, S.A.
- F.C.C. ENERGÍA, S.A.
- F.C.C. ÁMBITO, S.A.
- GLOBAL VÍA INFRAESTRUCTURAS, S.A.

ANNEX 2
NON-DISCLOSURE AGREEMENT

Mr/Ms []
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
Calle [Federico Salmon, 13]
28016 Madrid
Madrid, []

Gentlemen:

I hereby declare that I am aware of the preparatory studies and actions performed by Fomento de Construcciones y Contratas, S.A. (the "Company") for the transaction referred to as Project (the "Transaction") and of the fact that the Transaction and all the information relating to it is Inside Information.

Consequently, in compliance with the duties of confidentiality required with respect to such information, I hereby undertake to:

Maintain in the strictest confidence, and keep professional secrecy with respect to, all the information relating to the Transaction of which I become aware by any means. The Transaction must be named and referred to at all times as Project

Exercise the utmost diligence in safeguarding the documentation relating to Project

Abstain from performing, for my own account or that of third parties, directly or indirectly, any of the following actions:

- preparing or performing any type of transaction with securities or instruments related to Project, and, in particular, securities or instruments of the Company.
- divulging to third parties any information about Project, either of the Company itself or of other listed companies referenced to it, except in the normal discharge of my duties.
- recommending to a third party to acquire or sell securities or financial instruments to which Project refers, whether of the Company itself or any other securities or financial instruments referenced to it, or causing another person to acquire or sell them based on such information.

Finally, I acknowledge that I am aware that the Company has and keeps, in compliance with current legislation, a documentary record listing the persons who are privy to the Transaction or any information related to it. Consequently, I consent to the inclusion of my personal data in that register and to its processing by the Company for those purposes.

Yours,

[Name]
[Company]
[Position]

ANNEX 3

LIST OF PERSONS BOUND BY THIS CODE (RESTRICTED PERSONS)¹

¹ Your particulars will be included in a documentary record which is the responsibility of Fomento de Construcciones y Contratas, S.A., with domicile in Barcelona at calle Balmes, nº 36, for the purpose of complying with the duties in connection with inside information referred to in article 83 bis of the Securities Market Law (Law 24/1988, of 28 June) and Royal Decree 1333/2005.

That record is at the disposal of the Comisión Nacional del Mercado de Valores at its request.

You are entitled to access your personal data, request that it be modified or removed if incorrect or unnecessary for the specific purposes for which it was collected, and to object to such treatment.

You may exercise those rights by means of a written communication to [].