

MADRID, OCTOBER THE 29th 2014

FRAMEWORK AGREEMENT AMONG

DRAGADOS, S.A.,

BUILDING AND WOOD WORKERS' INTERNATIONAL,

CCOO CONSTRUCTION AND SERVICES

AND

MCA-UGT



BY AND BETWEEN

On one hand, **DRAGADOS, S.A** , duly and represented by **Mr. Luis Nogueira Miguelsanz**,

On the other hand,

CCOO Construction and Services, duly and represented by **Mr. Vicente Sánchez Jiménez**

MCA UGT Industry Federation, duly and represented by **Mr. Carlos Romero González**

Building and Wood Worker's International (BWI), duly and represented by **Mr. Ambet Yuson**

DECLARE

The **BWI**, is the Global Union Federation grouping free and democratic unions, with members in the Building, Building Materials, Wood, Forestry and Allied sectors. The **BWI** groups around 350 trade unions representing around 12 million members in 135 countries. The **BWI** mission is to promote the development of trade unions in the construction and wood sectors around the world and to promote and enforce the workers' rights.

CCOO CONSTRUCTION AND SERVICES, is the Federation of Building, Wood and Allied Sectors of Comisiones Obreras in Spain, trade union affiliated to BWI.

MCA-UGT, is the Federation of Metal, Building, and Allied Sectors of Unión General de Trabajadores in Spain, trade union affiliated to BWI.

DRAGADOS, S.A., is the head company of one of the world's largest construction groups. The group activities are carried out in absolute respect for Human Rights and public liberties, in accordance with internationally accepted laws and practices.

Dragados, S.A. and BWI with the MCA-UGT and CCOO Construction and Services Federations:

Acknowledge that sustainable development of the construction industry is the interest of both, the company and the workers.

Acknowledge the importance of open and democratic labour relations, as well as legal procedures for collective bargaining between the union representatives and those of the company.

This agreement is based on the joint commitment of the signatories to respect and promote the principles defined in the Universal Declaration of Human Rights, the ILO Tripartite Declaration, the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact.

Dragados, S.A., provides the means to oversee compliance with the provisions of the International Labour Organization (ILO), especially those related with child labour, and it accepts the commitment to carry out its business and professional activities in accordance with the valid legislation in each of the places where it operates and it promotes and encourages such recognition and respect among the contractors, subcontractors and suppliers.

Compliance with the law is always the starting point of the ethical behavior in the company.

At Dragados, S.A., human resources management and the employee relations are always based on scrupulous respect for their dignity and are based on the principles of mutual trust and respect.

Dragados, S.A., expressly forbids abuses of authority and any other kind of harassment, physical, psychological or moral, as well as any other kind of behavior that could lead to an intimidating, offensive or hostile environment.

Dragados, S.A., recognize that corruption, bribery and unfair anticompetitive actions distort markets and hamper economic, social and democratic development.

Dragados, S.A., shall not, in any way, reduce or undermine the union rights for any BWI affiliated or group of affiliates or any other union within Dragados S.A.

In this spirit Dragados, S.A., and the BWI, shall work together to ensure effective application at Dragados S.A. in its exclusive area of construction, of the following conditions, whose application shall always be performed in accordance with the national valid legal framework, practice and customs, provided that they not imply a contradiction with those.

1. Freedom of association and the right to collective bargaining is respected.

All the workers shall have the right to set up and join trade unions according to their own choice. These unions must have the right to be recognized for the purpose of collective bargaining, in accordance with the established national legislation in each of the countries and in accordance with the principles of ILO conventions 87 and 98. In the same way and conditions, the workers' legal representatives shall not be subject to any kind of discrimination and they shall have access to the workplaces necessary for carrying out their representation functions, subject to prior notice and communication with the company representatives at each workplace, in coordination with them and without disrupting productive activity.

Dragados, S.A., shall not interfere with the workers' possibility to join the unions freely and voluntarily and shall avoid any kind of discrimination that may arise as a result of such affiliation.

Dragados, S.A., shall adopt a positive attitude and a respectful behavior towards union's activities and an open attitude towards unions' organizational activities.

2. Employment is freely chosen.

There shall be no use of forced nor compulsory labour, including bonded labour. Workers shall not be demanded to surrender valuables (ILO Conventions 29 and 105), nor passports or any other travel or identity document shall be withheld.

3. No discrimination in employment

All workers shall have equal opportunities and treatment regardless of their ethnical origin, religion, political opinion, nationality, social origin or any other condition or personal circumstance (ILO Convention 100 and 111)

4. Protection of migrant workers

Migrant and transferred employees must enjoy the protection and conditions established by the national valid legislation. Workers should not be required to pay deposits, visas or any other immigration fees, transportation costs or any kind of hiring or recruiting fees.

In the case of agencies sending workers to other countries, agencies will be required to repatriate workers in the event that the employment ends.

Worker's Passports or any other identity document shall not be withheld. Temporary migrant workers should have full rights to legal compensation in the country where they work and shall have all the rights awarded by the country, including union association. Migrant workers should receive details of their living and working conditions in an understandable language before leaving their country of origin.

5. Child labour is not used

Child labour shall not be used. Only workers above the age of 15 years, or over the compulsory school-leaving age, if higher, shall be employed (ILO Convention 138).

Children under the age of 18 years shall not perform works which, due to their nature or to the circumstances in which they are carried out, can harm the health, safety or moral of the children (ILO Convention 182).

6. Living wages are paid

Workers shall be paid wages and benefits that must conform, at least, with the conditions of the national legislation or the collective bargain applicable to the sector or industry in question.

All the workers must be provided with clear information about wage conditions.

7. Hours of work are not excessive

Hours of work shall be in accordance with national legislation, national agreements and industry standards. All workers shall receive, a minimum of one day-off per week or its equivalent if an irregular working time distribution is the case, always as permitted by the valid legislation of each country.

8. Health and Safety of the workers.

A safe and healthy working environment shall be provided.

Best occupational health and safety practices shall be promoted to prevent injuries and illness, in accordance with ILO Convention 155, about Occupational Health and Safety (1981), and the ILO Convention 167, about Health and Safety in Construction (1988).

All workers shall also be provided with Personal Protection Equipment, with no cost to themselves, and training courses on occupational hazards and their prevention.

Health and safety committees shall be established at workplaces and workers shall have the right to elect Health and Safety Representatives by agreement with the unions, among the legal representatives chosen by the workers, and in accordance with each country's legislation.

Also, Dragados, S.A., undertakes to continuously improve measures for preventing occupational hazards and for promoting health in the workplace and wherever its activity is performed.

Dragados, S.A., also promotes and encourages the adoption of advanced health and safety practices by its suppliers, contractors and collaborating companies in general.

9. Welfare of the workers

At every work place the company shall provide adequate facilities for the provision of work, all in accordance with the valid regulation of each country, and with the uses and customs applied.

10. Specialized Training

Dragados,S.A., also undertakes to provide the means to contribute to learning and training of its employees and to update their knowledge and skills in order to provide professional progression and more value to customers, shareholders and the society in general.

11. Employment Relationship

Dragados, S.A., shall respect obligations towards all the workers established under the labour and social security laws and regulations and the regulations relating to the employment contracts.

Dragados, SA considers respect for the rights of workers is a key factor in sustainable development, and it promotes and encourages the same recognition and respect among the contractors, subcontractors and suppliers.

IMPLEMENTATION

Dragados, S.A., will provide verbal or written information related to this agreement to the organization.

The BWI acknowledges that this agreement is a voluntary commitment of Dragados S.A. in the activities that it develops within the construction sector.

Both organizations will actively support this voluntary commitment and both declare their readiness to cooperate actively in eradicating violations of the agreement in order to avoid any future infringement.

A reference group will be established, formed by representatives of Dragados S.A. management, BWI, CCOO Construction and Services and MCA-UGT, which will hold meetings at least once per year to follow the implementation of the present agreement with the company providing the necessary support for the meeting.

BWI, CCOO Construction and Services and MCA-UGT, will participate in the meetings of the reference group, covering its own expenses, except those activities carried out as a company requirement, in which case the company shall assume the cost.

Both parties recognize that effective local knowledge of this agreement must involve the local management, the workers and their legal representatives, health and safety representatives and local trade unions.

To enable local and national union representatives affiliated to the BWI, to play a role in the monitoring process, the company will ensure that they have access to the workers and to the necessary rights of information.

The annual review of this agreement can be incorporated into the annual report of Dragados, SA, with the approval of both parties. Likewise, the same requirement is established for any publication or use of the present document.

CONFLICT RESOLUTION

The parties agree that any divergence about the interpretation or compliance of this agreement will be examined jointly, for the purpose of providing recommendations to the parties involved.

In the event of any complaint or infraction of the present agreement, the following procedure will normally apply:

- b) Firstly, the claim will be dealt with by the local management of the workplace
- c) Any infraction which could not be solved through discussions at the workplace will be dealt with the BWI coordinator in close cooperation, with the BWI affiliates from the country of origin and will be reported to the responsible manager.
- d) If the subject is not solved, the reference group will deal with the matter, aiming at providing the parties involved with recommendations for solving the controversy.

DURATION

This agreement is effective from today, with a mutual three-month notice of termination.

Madrid, October the 29th 2014

Mr. Luis Nogueira Miguelsanz

DRAGADOS, S.A.

Mr. Ambet Yuson

**BUILDING AND WOOD WORKERS'
INTERNATIONAL (BWI)**

Mr. Vicente Sánchez Jiménez

CCOO Construction and Services

Mr. Carlos Romero González

MCA UGT Industry Federation