



*English translation for information purposes only. In the event of discrepancies between the English and the Spanish version, the Spanish version shall prevail.*

Pursuant to article 227 of the Consolidated Text of the Spanish Securities Market Act (*Texto Refundido de la Ley del Mercado de Valores*), FERROVIAL EMISIONES, S.A. (the "**Company**" or "**Ferrovial Emisiones**"), reports on the following:

#### **OTHER RELEVANT INFORMATION**

Pursuant to article 9.4 of Order ECC/461/2013, of March 20, which determines the content and structure of the annual corporate governance report, of the annual report on remuneration and other reporting instruments of listed public companies, of savings banks and other entities which issue securities accepted for trading on official securities markets, Ferrovial Emisiones, a company domiciled in Spain, has not undertaken the preparation of its own Annual Corporate Governance Report, since Ferrovial, S.A. holds, directly and indirectly, all the voting rights in the Company and has prepared, pursuant to the regulations in force, the Annual Corporate Governance Report for the financial year 2020, which was notified to the CNMV (Spanish Securities Market Commission) on 25 February 2021 as Other Relevant Information (official registry number 7,446).

In compliance with the foregoing provision, a copy of the Annual Corporate Governance Report for the financial year 2020 prepared by Ferrovial, S.A. is attached.

Madrid, 12 March 2021

Ernesto López Mozo

Joint Director of FERROVIAL EMISIONES, S.A.



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

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### DETAILS OF THE ISSUER

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End date of financial year referred to: [ 31/12/2020 ]

Company Tax Code (CIF): [ A81939209 ]

Corporate name:

[ **FERROVIAL, S.A.** ]

Registered address:

[ PRINCIPE DE VERGARA, 135 MADRID ]



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

### A. OWNERSHIP STRUCTURE

**A.1** Complete the following table on the Company's share capital:

Date of last modification	Share capital (€)	Number of shares		Number of voting rights
09/12/2020	146,580,475.20	732,902,376		732,902,376

Indicate whether different types of shares exist with different associated rights:

[ ] Yes  
[ ✓ ] No

**A.2** List the direct and indirect holders of significant shareholdings at year-end, excluding directors:

Name or corporate name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
BLACKROCK INC.	0.00	3.04	0.00	0.02	3.06
FIL LIMITED	0.00	1.02	0.00	0.01	1.03
LEOPOLDO DEL PINO CALVO-SOTELO	0.00	4.15	0.00	0.00	4.15
CHRISTOPHER ANTHONY HOHN	0.00	0.72	0.00	5.07	5.78
LAZARD ASSET MANAGEMENT LLC	0.00	3.08	0.00	0.00	3.08
D1 CAPITAL PARTNERS MASTER, LP	0.00	0.00	1.08	0.00	1.08

Breakdown of the indirect shareholding:

Name or corporate name of indirect holder	Name or corporate name of direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
BLACKROCK INC.	CONTROLLED COMPANIES AND COLLECTIVE INVESTMENT INSTITUTIONS UNDER MANAGEMENT	3.04	0.02	3.06



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Name or corporate name of indirect holder	Name or corporate name of direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
FIL LIMITED	FIL LIMITED	1.02	0.01	1.03
LEOPOLDO DEL PINO CALVO-SOTELO	SIEMPRELARA S.L. SOCIEDAD UNIPERSONAL	4.15	0.00	4.15
CHRISTOPHER ANTHONY HOHN	CIFF CAPITAL UK LP & THE CHILDRENS INVESTMENT MASTER FUND	0.72	5.07	5.78

Indicate the most significant movements in the shareholder structure during the year:

### Most significant movements

Mr. Rafael del Pino Calvo Sotelo has carried out the following movements:

17/12/2020: exceeded 20% of the share capital  
26/11/2020: fell below 20% of share capital

Blackrock Inc. has carried out the following movements:

21/12/2020: exceeded 3% of the share capital  
17/12/2020: fell below 3% of share capital  
04/12/2020: exceeded 3% of the share capital  
30/11/2020: fell below 3% of share capital  
25/11/2020: exceeded 3% of the share capital  
01/10/2020: fell below 3% of share capital  
23/09/2020: exceeded 3% of the share capital  
04/05/2020: fell below 3% of share capital  
27/04/2020: exceeded 3% of the share capital  
26/02/2020: fell below 3% of share capital  
24/01/2020: exceeded 3% of the share capital  
17/01/2020: fell below 3% of share capital  
07/01/2020: exceeded 3% of the share capital

FIL Limited has carried out the following movements:

11/05/2020: exceeded 1% of the share capital  
05/05/2020: fell below 1% of share capital  
22/04/2020: exceeded 1% of the share capital  
17/04/2020: fell below 1% of share capital

Mr. Christopher Anthony Hohn has carried out the following movements:

26/10/2020: exceeded 5% of the share capital



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

**A.3.** Complete the following tables on the members of the board of directors of the company, who own voting rights on company shares:

Name or company name of the director	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights	% voting rights that can be transferred through financial Instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. IGNACIO MADRIDEJOS FERNÁNDEZ	0.01	0.00	0.01	0.00	0.01	0.00	0.00
MR. ÓSCAR FANJUL MARTÍN	0.01	0.00	0.00	0.00	0.01	0.00	0.00
MR. SANTIAGO FERNÁNDEZ VALBUENA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	0.02	0.00	0.00	0.00	0.02	0.00	0.00
MS. MARÍA DEL PINO CALVO-SOTELO	0.00	8.14	0.00	0.00	8.14	0.00	0.00
MR. JOAQUÍN DEL PINO CALVO-SOTELO	0.01	2.54	0.00	0.00	2.55	0.00	0.00
MR. JUAN MANUEL HOYOS MARTÍNEZ DE IRUJO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. RAFAEL DEL PINO CALVO-SOTELO	0.00	20.27	0.03	0.00	20.29	0.00	0.00
MR. PHILIP BOWMAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00

% total voting rights held by the Board of Directors	31.04
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Breakdown of the indirect shareholding:

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Name or company name of the director	Name or corporate name of direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights	% voting rights that can be transferred through financial Instruments
MS. MARÍA DEL PINO CALVO-SOTELO	MENOSMARES S.L.	8.14	0.00	8.14	0.00
MR. JOAQUÍN DEL PINO CALVO-SOTELO	ADDITION SICAV, S.A.	0.01	0.00	0.01	0.00
MR. JOAQUÍN DEL PINO CALVO-SOTELO	SOZIANCOR S.L. SOCIEDAD UNIPERSONAL	2.53	0.00	2.53	0.00
MR. RAFAEL DEL PINO CALVO-SOTELO	RIJN CAPITAL B.V.	20.27	0.00	20.27	0.00

**A.4** Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the Company, unless they are insignificant or arise from ordinary trading or exchange activities, except as reported in section A.6:

Related-party name or corporate name	Type of relationship	Brief description
MR. RAFAEL DEL PINO CALVO-SOTELO, MS. MARÍA DEL PINO CALVO-SOTELO	Family	Mr. Rafael and Ms. María del Pino Calvo-Sotelo are siblings.
MS. MARÍA DEL PINO CALVO-SOTELO, MR. LEOPOLDO DEL PINO CALVO-SOTELO	Family	Ms. María and Mr. Leopoldo del Pino Calvo-Sotelo are siblings.
MR. RAFAEL DEL PINO CALVO-SOTELO, MR. LEOPOLDO DEL PINO CALVO-SOTELO	Family	Mr. Rafael and Mr. Leopoldo del Pino Calvo-Sotelo are siblings.

**A.5** Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant holdings and the Company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Related-party name or corporate name	Type of relationship	Brief description
MS. MARÍA DEL PINO CALVO-SOTELO	Corporate	Ms. María del Pino Calvo-Sotelo is a Director of Ferrovial, S.A.
MR. RAFAEL DEL PINO CALVO-SOTELO	Corporate	Mr. Rafael del Pino y Calvo-Sotelo is the Chairman and CEO of Ferrovial, S.A.

**A.6.** Describe the relationships, unless they are of little relevance to the two parties, that exist between the significant shareholders or shareholders represented on the board and the directors, or their representatives, in the case of directors who are legal entities.



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors who have been appointed on behalf of significant shareholders, those whose appointment has been promoted by significant shareholders, or who are linked to significant shareholders and/or entities of their group, specifying the nature of such relationships. In particular, mention shall be made, where applicable, of the existence, identity and position of members of the board, or representatives of directors, of the listed company, who are, in turn, members of the administrative body, or their representatives, in companies that hold significant shareholdings in the listed company or in entities of the group of said significant shareholders:

Name or corporate name of the related-party director or representative	Name or corporate name of related-party significant shareholder	Corporate name of the group company of the significant shareholder	Description relationship / position
MS. MARIA DEL PINO CALVO-SOTELO	MS. MARÍA DEL PINO CALVO-SOTELO	----	As indicated in the response to section A.3, Ms. María del Pino Calvo-Sotelo indirectly holds 8.14% of the share capital of Ferrovial, S.A. through Menosmares, S.L. She is the majority shareholder, as well as the Chairman and CEO of this company.
MR. RAFAEL DEL PINO CALVO-SOTELO	MR. RAFAEL DEL PINO CALVO-SOTELO	----	As indicated in the response to section A.3, Mr. Rafael del Pino Calvo-Sotelo indirectly holds 20.27% of the share capital of Ferrovial, S.A. through Rijn Capital B.V. He holds shares representing 99.87%% of the capital of this entity.

**A.7** Indicate whether the Company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Capital Companies Act (hereinafter "CCA"). Provide a brief description and list the shareholders bound by the agreement, as applicable.

[ ] Yes  
[ ✓ ] No

Indicate whether the Company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable:



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

[ ] Yes  
[ ✓ ] No

None.

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year.

None.

**A.8** Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the Company in accordance with article 5 of the Securities' Market Act. If so, identify.

[ ] Yes  
[ ✓ ] No

**A.9** Complete the following tables on the company's treasury stock: At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% total share capital
634,034		0.09

(\*) Through:

Name or corporate name of indirect shareholder	Number of shares held directly
No data	

Explain any significant changes during the financial year:

Explain any significant changes.

The notifications on transactions with own shares that have been sent to the CNMV (form IV) during the year, as a result of the change in the number of voting rights of the issuer, are included below. The acquisitions and transfers of own shares that have taken place since the last notification up to the modification of the share capital figure are notified to the CNMV. In cases of capital reduction, the number of own shares subject to redemption appears in the notification as "transfer":

- On 17 June 2020, the CNMV was informed of (i) the acquisition of 3,819,087 direct shares by the Company, accounting for 0.515% of the share capital, and (ii) the transfer of 698,721 direct shares, accounting for 0.094% of the share capital.

- On 15 December 2020, the CNMV was informed of (i) the acquisition of 7,555,492 direct shares by the Company, accounting for 1.011% of the share capital, and (ii) the transfer of 24,805 direct shares, accounting for 0.003% of the share capital.

- On 22 December 2020, the CNMV was informed of (i) the acquisition of 1,167,381 direct shares by the Company, accounting for 0.159% of the share capital, and (ii) the transfer of 14,460,661 direct shares, accounting for 1.973% of the share capital.

**A.10.** Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back and/or transfer own shares.





## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

"To authorise the Board of Directors to increase the share capital in accordance with article 297.1.b) of the CCA, subject to the following conditions:

1. Delegation of power to increase capital. The Board of Directors is hereby authorised to increase share capital on one or more occasions and at any time within a period of five years from the date of approval of this resolution by the General Shareholders' Meeting, up to a maximum amount of €73,845,583.70, accounting for one-half of the share capital of the Company, by issuing new ordinary or preference shares, or shares of any other type permitted by law, including redeemable shares, with or without a share premium, with or without voting rights, with the consideration consisting of the equivalent value in cash contributions. The Board of Directors may set the terms and conditions for the share capital increase and freely offer new shares that are not subscribed within the period or periods for the exercise of the preferential subscription right.

The Board of Directors is authorised, in the event of incomplete subscription, to establish the share capital increase exclusively for the amount of the shares actually subscribed, and to amend the wording of the Bylaw article referring to share capital.

2. Delegation of power to exclude preferential subscription rights. Under article 506.2 and related articles of the Capital Companies Act the Board of Directors is hereby authorised to exclude, either in whole or in part, the preferential subscription rights of shareholders in relation to the issues of shares subject to this delegation of powers, where necessary in the interest of the Company and for compliance with all other applicable legal requirements. However, this authorisation will be limited to share capital increases in reliance on this power up to the maximum amount corresponding, as a whole, to 20% of current share capital.

If the Board decides to exclude the preferential subscription right in relation to any given issue of shares that may be decided in accordance with this authorisation, it shall, at the same time, issue a report detailing the specific corporate interests justifying such measures, which shall be accompanied by the pertinent report by the external auditor referred to in article 308.2.a) of the CCA. These reports shall be made available to the shareholders and communicated at the first General Shareholders' Meeting to be held after the resolution to issue shares.

3. Listing of shares. The Board of Directors is hereby authorised to seek a listing for the new shares issued on the Madrid, Barcelona, Bilbao and Valencia stock exchanges via the Stock Market Interconnection System (Continuous Market), and on any foreign stock exchanges on which the shares of said company may be quoted, as appropriate. The Board is further authorised to undertake all necessary procedures and actions to obtain a listing before the competent authorities for the Spanish and foreign stock markets.

It is expressly stated that, in the event of a subsequent request for exclusion from the negotiation, this shall be adopted with the same formalities as the application for admission, insofar as applicable, and, in such case, the interest of the shareholders or bondholders who oppose or do not vote for the resolution shall be guaranteed under the terms provided for in the legislation in force. It is also stated that Ferrovial, S.A. is bound by existing or future laws, particularly with respect to trading, length-of-trading and exclusion from trading.

4. Article 249 bis i) of the Capital Companies Act expressly authorises the Board of Directors to subdelegate the powers permitted under this article to the Executive Committee.

This delegation replaces the one agreed by the General Shareholders' Meeting of 26 June 2014 under item 9 of its agenda, which is no longer in effect".

### TENTH RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING OF 5 APRIL 2017.

"Authorisation of the Board of Directors to acquire shares of the Company on the market, either directly or via dependent companies, in accordance with the applicable legislation in each case and the following limits and requirements:

1. Forms of acquisition: by purchase or any other "inter vivos" transfer for consideration.

2. Maximum number of shares to be acquired: shares of Ferrovial, S.A., in an amount such that the par value of the shares to be acquired, together with that of those already held by Ferrovial, S.A. and any of its subsidiaries, does not exceed 10% of the share capital of Ferrovial, S.A.

3. Minimum and maximum purchase price: The minimum purchase price of shares shall equal 75% of their market value at the acquisition date, and the maximum price at 120% of their market value on that date.

4. Duration of the authorisation: five (5) years from the date this Agreement.

5. Possible delivery of shares to employees or directors: the Board of Directors is empowered to allocate some or all of the own shares that are acquired to implement remuneration programmes whose purpose or mechanism is the delivery of shares or stock options, in accordance with article 146.1.a) of the CCA.

Continued in Section H.

### A.11. Estimated free float:

%



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Estimated free float	49.52
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The estimated free float is calculated excluding the treasury stock and the direct and indirect shareholding of (i) all the Directors; (ii) Casa Grande de Cartagena, S.A.U.; and (iii) the significant shareholders as of 31 December 2020 (Mr. Leopoldo del Pino Calvo-Sotelo, Blackrock Inc., FIL Limited, Lazard Asset Management LLC, D1 Capital Partners Master, LP and Christopher Anthony Hohn).

**A.12.** Indicate whether there are any restrictions (statutory, legislative or of any kind) on the transferability of securities and/or any restrictions on voting rights. In particular, the existence of any type of restrictions that may restrict the taking of control of the company by means of the acquisition of its shares in the market will be communicated, as well as those systems of prior authorisation or communication that, regarding the acquisitions or transmissions of the company's financial instruments, are applicable by sectorial regulations.

☐ Yes  
☒ No

**A.13.** Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

☐ Yes  
☒ No

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

**A.14.** Indicate whether the Company has issued securities not traded in a regulated market of the European Union.

☐ Yes  
☒ No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer:

### B. GENERAL SHAREHOLDERS' MEETING

**B.1** Indicate and, where applicable, detail whether there are any differences with the minimum regime provided for in the Capital Companies Act (CCA) with respect to the quorum for the constitution of the general meeting:

☐ Yes  
☒ No

**B.2** Indicate and, as applicable, describe any differences between the Company's system of adopting corporate resolutions and the framework established in the CCA.

☒ Yes  
☐ No

Qualified majority other than that established in article 201.2 of the CCA for general cases described in article	Other cases requiring a qualified majority
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## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

% set by the Company for adopting corporate resolutions	0.00	66.66
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There are no differences with the rules under the CCA for adopting resolutions in the events listed in article 194.1 of the CCA, in accordance with the qualified majorities prescribed by article 201.2 of said Law.

For the General Shareholders' Meeting to give instructions to the Board on management matters, and for the Board to seek authorisation from the General Shareholders' Meeting for it to adopt decisions, article 22.4 of the Bylaws sets down the same requirements in terms of majorities and information to shareholders as for alterations to the Bylaws themselves.

**B.3** Indicate the rules governing amendments to the Company's Bylaws. In particular, indicate the majorities required to amend the Bylaws and, as applicable, the rules for protecting shareholders' rights when changing the Bylaws.

The Company's Bylaws are the same as the provisions in current legislation and, therefore, they shall prevail. The following is a summary of the content of articles 194 and 201 of the CCA.

In order for the Ordinary or Extraordinary General Shareholders' Meeting to validly approve resolutions on an increase or reduction of capital and any other amendment to the Company Bylaws, an issue of bonds, the elimination or limitation of the preferential right to acquire new shares, as well as the change of corporate form, merger, spin-off or *en bloc* transfer of assets and liabilities and the transfer of the registered office abroad, shareholders owning at least fifty per cent of the subscribed capital with voting rights must be present at first call in person or by proxy. At second call, shareholders representing twenty-five per cent of share capital shall be sufficient.

If the capital present in person or by proxy exceeds fifty per cent, it will suffice for the resolution to be carried by an absolute majority. Two-thirds of the capital present in person or by proxy at the Meeting shall be required to vote in favour when shareholders representing twenty-five per cent or more of the subscribed capital with voting rights but less than fifty per cent attend the meeting on second call.

The CCA governs the safeguarding of shareholders' rights and establishes that amendments to the Bylaws which entail new obligations for shareholders must be adopted with the consent of those affected (article 291 of the CCA).

Likewise, in order for a bylaw-stipulated amendment to be valid that directly or indirectly affects the rights of a class of shares, it must be approved by the General Shareholders' Meeting pursuant to the requirements established in the CCA, as well as by the majority of the shares belonging to the class affected. If the alteration only affects some of the shares of the same and, as the case may be, only class, and entails discriminatory treatment among shares, for the purposes of article 293 of the CCA, the shares that are affected and those that are unaffected by the alteration will be treated as independent classes, such that a separate resolution will be required for each one of them. An alteration will be treated as discriminatory if, in substance, it has a clearly asymmetrical dividend or voting effect on some shares as opposed to others or on their respective holders (article 293 of the CCA).

**B.4** Indicate the attendance figures for the General Shareholders' Meetings held during the year referred to in this report and those of the two previous financial years:

Attendance data					
Date Shareholder's Meeting	% attending in person	% attending by proxy	% by distance voting		
			Electronic means	Others	TOTAL
05/04/2018	12.11	53.15	0.00	0.49	65.75
Of which floating capital	0.21	31.72	0.00	0.49	32.42
05/04/2019	12.19	49.42	0.00	5.88	67.49
Of which floating capital	0.19	28.10	0.00	0.75	29.04
17/04/2020	0.86	53.67	11.85	4.58	70.96
Of which floating capital	0.02	33.46	0.00	0.37	33.85

**B.5** Indicate whether at the general shareholders' meetings held during the year there were any items on the agenda that, for any reason, were not approved by the shareholders:

☐ Yes  
☒ No



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

**B.6** Indicate whether there is any statutory restriction that establishes a minimum number of shares necessary to attend the general shareholder's meeting, or to vote remotely:

☒ Yes  
☐ No

Number of shares required to attend the General Shareholders' Meetings	100
Number of shares required for distance voting	1

**B.7** Indicate whether it has been established that certain decisions, other than those established by Law, which involve the acquisition, disposal, contribution to another company of essential assets or other similar corporate operations, must be submitted to the approval of the general shareholders' meeting:

☐ Yes  
☒ No

**B.8** Indicate the address and mode of accessing corporate governance content on your Company's website, as well as other information on General Shareholders' Meetings that must be made available to shareholders on the website.

The corporate governance content and other information on General Shareholders' Meetings that must be made available to shareholders on the Company's website can be accessed at [www.ferrovial.com](http://www.ferrovial.com), under Information for Shareholders and Investors, Corporate Governance ("https://www.ferrovial.com/en/ir-shareholders/corporate-governance/")

## C. STRUCTURE OF THE CORPORATE MANAGEMENT

### C.1. Board of directors

C.1.1 Maximum and minimum number of directors provided for in the Bylaws and the number set by the General Shareholders' Meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the shareholders' meeting	12

C.1.2 Complete the following table with Board members' details:



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Name or company name of the director	Representative	Director category	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MR. IGNACIO MADRIDEJOS FERNÁNDEZ		Executive	CEO	30/09/2019	17/04/2020	General Shareholders' Meeting resolution
MR. ÓSCAR FANJUL MARTÍN		Independent	VICE-CHAIRMAN	31/07/2015	05/04/2019	General Shareholders' Meeting resolution
MR. SANTIAGO FERNÁNDEZ VALBUENA		Other External	DIRECTOR	30/05/2008	05/04/2019	General Shareholders' Meeting resolution
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ		Independent	DIRECTOR	19/12/2019	17/04/2020	General Shareholders' Meeting resolution
MR. JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS		Independent	DIRECTOR	03/12/2009	05/04/2019	General Shareholders' Meeting resolution
MS. MARÍA DEL PINO CALVO-SOTELO		Proprietary	DIRECTOR	29/09/2006	05/04/2019	General Shareholders' Meeting resolution
MR. JOAQUÍN DEL PINO CALVO-SOTELO		Proprietary	DIRECTOR	29/10/2015	05/04/2019	General Shareholders' Meeting resolution
MR. JUAN MANUEL HOYOS MARTÍNEZ DE IRUJO		Independent	INDEPENDENT LEAD DIRECTOR	02/10/2019	17/04/2020	General Shareholders' Meeting resolution
MR. RAFAEL DEL PINO CALVO-SOTELO		Executive	CHAIRMAN AND CEO	09/01/1992	05/04/2019	General Shareholders' Meeting resolution
MR. BRUNO DI LEO		Independent	DIRECTOR	25/09/2018	05/04/2019	General Shareholders' Meeting resolution



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Name or company name of the director	Representative	Director category	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MR. PHILIP BOWMAN		Independent	DIRECTOR	29/07/2016	17/04/2020	General Shareholders' Meeting resolution
MS. HANNE BIRGITTE BREINBJERG SØRENSEN		Independent	DIRECTOR	05/04/2017	17/04/2020	General Shareholders' Meeting resolution

Total number of directors	12
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Indicate any terminations from the Board of Directors during the reporting period, whether due to resignation or by resolution of the General Shareholders' Meeting:

Name or company name of the director	Director category at the time of the termination	Date of the last appointment	Date of termination	Specialist committees on which they were a member	Indicate whether the termination occurred before the end of the term of office
No data					

C.1.3 Complete the following tables about the members of the board and their different categories:

EXECUTIVE DIRECTORS		
Name or corporate name of the director	Position held in the Company	Profile
MR. IGNACIO MADRIDEJOS FERNÁNDEZ	CEO	Civil Engineer (Polytechnic University of Madrid); MBA (Stanford University). CEO of Ferrovial since 2019. Former Regional President of CEMEX USA; Regional President of CEMEX Northern Europe; global responsible of CEMEX Energy, Security and Sustainability areas; President of CEMEX Spain; and CEO of CEMEX Egypt. He previously worked at McKinsey and Agroman. He was also President of OFICEMEN (Spanish Association of Cement Manufacturers), IECA (Spanish Institute of Cement and its Applications), and CEMBUREAU (European Cement Association).



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

MR. RAFAEL DEL PINO CALVO-SOTELO	CHAIRMAN AND CEO	<p>Civil Engineer (Polytechnic University of Madrid, 1981); MBA (Sloan School of Management, MIT, 1986).</p> <p>Chairman of Ferrovial since 2000 and CEO since 1992. Chairman of Cintra from 1998 to 2009.</p> <p>Member of the MIT Energy Initiative's External Advisory Board and the MIT Sloan European Advisory Board. He also is a member of the IESE's International Advisory Board and the Royal Academy of Engineering of Spain.</p> <p>He has been Director of Zurich Insurance Group, Banesto and Uralita.</p> <p>Other information: Mr. Rafael del Pino has a controlling interest in the shareholder Rijn Capital B.V.</p>
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Total number of executive directors	2
% of the Board	16.67

### EXTERNAL PROPRIETARY DIRECTORS

Name or company name of the director	Name or corporate name of significant shareholder represented or proposing his/her appointment	Profile
MS. MARÍA DEL PINO CALVO-SOTELO	MS. MARÍA DEL PINO CALVO-SOTELO	<p>Degree in Economics and Business Administration (Universidad Complutense de Madrid); Management Development Program (IESE).</p> <p>Director of Ferrovial since 2006.</p> <p>Chairman of the Rafael del Pino Foundation. Legal representative of Menosmares, S.L. that holds the positions of rotating Chairman / Vice-Chairman of the Board of Directors of Casa Grande de Cartagena, S.A.U. and Vice-Chairman of the Board of Directors of Pactio Gestión, SGIIC, S.A.U. Member of the Board of Trustees of the Princess of Asturias.</p> <p>Former member of the Governing Board of the <i>Asociación para el Progreso de la Dirección</i> and trustee of the Codespa Foundation and of the <i>Fundación Científica de la Asociación Española contra el Cáncer</i>.</p> <p>Other information: Ms. María del Pino is majority shareholder, as well as Director and CEO, of the shareholder Menosmares, S.L.</p>



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or corporate name of significant shareholder represented or proposing his/her appointment	Profile
MR. JOAQUÍN DEL PINO CALVO-SOTELO	MR. JOAQUÍN DEL PINO CALVO-SOTELO	<p>Degree in Economics and Business Administration; MBA (IESE). Director of Ferrovial since 2015 (and previously had represented the Director Karlovy, S.L. since 2010).</p> <p>Legal representative of Soziancor, S.L.U., that holds the positions of rotating Chairman / Vice-Chairman of the Board of Directors of Casa Grande de Cartagena, S.A.U. and Chairman of the Board of Directors of Pactio Gestión, SGIIC, S.A.U.; Trustee of the Rafael del Pino Foundation.</p> <p>Former Director of Banco Pastor and former Trustee of the Plan España Foundation.</p> <p>Other information: Mr. Joaquín del Pino is the sole shareholder and sole director of the shareholder Soziancor, S.L.U.</p>

Total number of proprietary directors	2
% of the Board	16.67

INDEPENDENT EXTERNAL DIRECTORS	
Name or company name of the director	Profile
MR. ÓSCAR FANJUL MARTÍN	<p>Professor of Economic Theory on leave of absence. Director of Ferrovial since 2015.</p> <p>Vice-Chairman of Omega Capital. Non-Executive Vice-Chairman of LafargeHolcim; Director of Marsh &amp; McLennan Companies. Trustee of the Center for Monetary and Financial Studies (Bank of Spain) and of the Aspen Institute (Spain).</p> <p>Former founding Chairman and CEO of Repsol; Chairman of Hidroeléctrica del Cantábrico; Non-Executive Chairman of NH Hoteles and Deoleo; Director of Acerinox, Unilever, BBVA, London Stock Exchange and Areva.</p>
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	<p>Degree in Economic and Political Sciences (Yale University). MBA (Instituto de Empresa, Madrid).</p> <p>Director of Ferrovial since 2019.</p> <p>Executive Chairman of Abengoa-Abenewco; Director of Gestamp; Chairman of the Hesperia Foundation; member of the Board of Trustees of the Princess of Asturias Foundation.</p> <p>Former Chairman of ArcelorMittal Spain; member of the General Management of ArcelorMittal and head of the sectors of Long Products, Stainless Steel, Tubes, Emerging Markets; CFO and head of the Distribution sector of Arcelor; CFO of Aceralia Corporación Siderúrgica. He previously worked at Citibank and Crédit Agricole. He was also Chairman of the ArcelorMittal Foundation and of UNESID (the Spanish union of steel companies); Director of Aceralia, Atlantica Yield, Aperam, Vocento and other listed companies.</p>





## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

MR. JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	Degree in Industrial Engineering (Polytechnic University of Barcelona); ISMP Graduate (Harvard Business School) and member of the State Corps of Industrial Engineers. Director of Ferrovial since 2009. Director of Cintra from 2004 to 2009. Honorary Chairman and Director of Maxam Group; Chairman of Maxam Foundation and member of the Board of Trustees of the <i>Museo de la Minería y la Industria</i> . Former Executive Chairman of Maxam Group; Managing Director of Iron and Steel and Naval Industries and Managing Director of Industry at the Ministry of Industry and Energy; Director of Dinamia, Uralita and Duro Felguera.
MR. JUAN MANUEL HOYOS MARTÍNEZ DE IRUJO	Degree in Economics (Universidad Complutense de Madrid); Master in Business Administration in Finance and Accounting (Columbia Business School). Director of Ferrovial since 2019. Director of Inmoglaciár and Gescobro. Former Chairman, Senior Partner of McKinsey & Company Iberia and member of the McKinsey & Company Shareholder Council worldwide; Strategy, Brand & Marketing Executive Vice President of Banco Santander Brazil; Executive Chairman of Haya Real Estate and Director of Banco Santander Chile and Banco Santander Mexico.
MR. BRUNO DI LEO	Degree in Business Administration from Ricardo Palma University and postgraduate degree from <i>Escuela Superior de Administración de Negocios</i> , both in Lima (Perú). Director of Ferrovial since 2018. Non-Executive Director of Cummins Inc.; member of the IESE's International Advisory Board in Spain and of the Deming Center Advisory Board of Columbia Business School. He has developed his professional career at the multinational group IBM. He served as Senior Vice-President of IBM Corporation; Senior Vice-President of Global Markets; General Manager of the Growth Markets Unit; General Manager for Global Technology Services in Southwest Europe and General Manager for Northeast Europe; General Manager for IBM Latin America and General Manager of IBM Brazil.
MR. PHILIP BOWMAN	Degree with honors in Natural Science (University of Cambridge); Master in Natural Science (University of Cambridge); Fellow of the Institute of Chartered Accountants in England & Wales. Director of Ferrovial since 2016. Non-Executive Chairman of Tegel Group Holdings Limited, Sky Network Television Limited and Majid Al Futtaim Properties; Non-Executive Director of its parent company, Majid Al Futtaim Holding LLC and related company Majid al Futtaim Capital LLC; and Non-Executive Director of Kathmandu Holdings Limited and of Better Capital PCC. Former Chairman of Potrero Distilling Holdings, Coral Eurobet and Liberty; Non-Executive Chairman of The Munroe Group (UK); CEO of Smiths Group, Scottish Power and Allied Domecq; and Director of Burberry Group, Berry Bros. & Rudd, Scottish & Newcastle Group, Bass, British Sky Broadcasting Group and Coles Myer.
MS. HANNE BIRGITTE BREINBJERG SØRENSEN	MSc. in Economics and Management from the University of Aarhus (Denmark). Director of Ferrovial since 2017. Non-Executive Director of LafargeHolcim, Delhivery, Sulzer, Tata Motors, Tata Consulting Services and Jaguar Land Rover Plc (and its affiliates Jaguar Land Rover Holdings Ltd and Jaguar Land Rover Ltd). Former CEO of Damco and Maersk Tankers; Chief Commercial Officer at Maersk Line; and CFO for the Asia Region at Maersk Line (A.P. Moller-Maersk Group). She has also been Chairman of ITOPF, Vice-Chairman of Hoegh Autoliners and Director of Axcel and INTTRA.

Total number of independent directors	7
% of the Board	58.33



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

List any independent directors who receive from the Company, or from its same group, any amount or payment other than standard director remuneration, or who maintain or have maintained during the period in question, a business relationship with the Company or any company of its group, either in their own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained the said relationship.

If applicable, include a statement from the Board detailing the reasons why the said director may carry on its duties as an independent director.

Name or corporate name of the director	Description of the relationship	Reasoned statement
MR. ÓSCAR FANJUL MARTÍN	Mr. Fanjul is Vice-Chairman of LafargeHolcim Ltd. Companies of this group have sold cement, concrete and related materials to Ferrovial group companies amounting to approximately €1,724.48 thousand. The Ferrovial Group has also provided waste management and collection services amounting to approximately €52.03 thousand to companies in the LafargeHolcim Group. Mr. Fanjul is also a Director of Marsh & McLennan Companies Inc. Companies in this group have provided insurance and guarantee services to Ferrovial group companies amounting to approximately €6,884.16 thousand.	Taking into account the type of operation and the business volume of the companies involved, the Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Director.
MR. JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	Mr. Sánchez-Junco is a Director and during part of the 2020 financial year Executive Chairman of the Maxam Group. Companies in this group have provided explosives inspection and verification services to Ferrovial group companies for approximately €0.23 thousand. In addition, the Ferrovial Group has supplied consumables to companies in the Maxam Group amounting to approximately €1.04 thousand.	The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.
MR. BRUNO DI LEO	Mr. Di Leo is a Director of Cummins Inc. Companies in this group provided repair and spare parts supply services amounting to approximately €1,128.59 thousand.	The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.
MS. HANNE BIRGITTE BREINBJERG SØRENSEN	Ms. Sorensen is a Director of LafargeHolcim Ltd. Companies in this group have sold cement, concrete and related materials to companies in the Ferrovial group amounting to approximately	



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Name or corporate name of the director	Description of the relationship	Reasoned statement
	€1,724.48 thousand. In turn, the Ferrovial Group has also provided waste management and collection services amounting to approximately €52.03 thousand to companies in the LafargeHolcim Group. Furthermore, Ms. Sorensen is a Director of Sulzer Ltd. Companies in this group have carried out sales transactions of pumping equipment and water treatment and purification services to Ferrovial group companies for approximately €732.13 thousand.	Taking into account the type of operations and the turnover of the companies involved, the Board considers that the relationships described above not to be sufficiently important to affect the independence of the Director.

### OTHER EXTERNAL DIRECTORS

The other external directors shall be identified and the reasons why they cannot be considered proprietary and independent directors and their relationships will be listed, whether with the company, its directors or its shareholders:

Name or corporate name of the director	Reasons	Company, executive or shareholder with whom the relationship is maintained:	Profile
MR. SANTIAGO FERNÁNDEZ VALBUENA	Article 529 xii.4.i of the CCA stipulates that persons that have been directors for a sustained period of more than 12 years may not, under any circumstances, be appointed as an independent director. Mr. Fernández Valbuena was appointed to the Board of Directors of Grupo Ferrovial, S.A. (a defunct company after being absorbed by Ferrovial, S.A.) on 30 May 2008.	---	Degree in Economics (Universidad Complutense de Madrid); PhD and Master's Degree in Economics (Northeastern University, Boston). Director of Ferrovial since 2008. Non-Executive Chairman of the Board of Directors of AEDAS Homes, S.A.; Non-Executive Vice-Chairman of EBN Banco de Negocios and Director of Mapfre Brasil and Mapfre Internacional. Former Chairman of Telefónica Latinoamérica; Director and Chief Strategy, Finance and Corporate Development Officer at Telefónica; Managing Director of <i>Société Générale Valores</i> and Head of Equities at Beta Capital; Professor of Applied Economics at the Universidad Complutense and Professor at IE Business School.

Total number of other external directors	1
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## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

% of the Board	8.33
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List any changes in the category of each director that have occurred during the year:

Name or corporate name of the director	Date of change	Previous category	Current category
MR. SANTIAGO FERNÁNDEZ VALBUENA	30/05/2020	Independent	Other External

C.1.4 Complete the following table with information on the number of female directors at the close of the last 4 financial years, as well as the category of such directors:

	Number of female directors				% of total directors of each category			
	Financial year 2020	Financial year 2019	Financial year 2018	Financial year 2017	Financial year 2020	Financial year 2019	Financial year 2018	Financial year 2017
Executive					0.00	0.00	0.00	0.00
Proprietary	1	1	1	1	50.00	50.00	50.00	50.00
Independent	1	1	1	1	14.29	12.50	16.67	20.00
Other external					0.00	0.00	0.00	0.00
TOTAL	2	2	2	2	16.67	16.67	16.67	16.67

C.1.5 Indicate whether the company has diversity policies in relation to the company's board of directors with regard to issues such as, for example, age, gender, disability, or professional training and experience. Small and medium sized entities, in accordance with the definition contained in the Accounts Audit Act, will have to report, as a minimum, on the policy they have established in relation to gender diversity.

- ☒ Yes  
☐ No  
☐ Partial policies

In the case of affirmative, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results for the year. The specific measures adopted by the Board of Directors and the Nomination and Remuneration Committee to achieve a balanced and diverse presence of directors must also be indicated.

If the company does not apply a diversity policy, explain the reasons why it does not do so.

Description of policies, objectives, measures and the way in which they have been implemented, as well as the results obtained

A. Description of the Policy, objectives, extent and manner in which it has been applied and their results for the year.

On 15 December 2015, the Board of Directors approved the Director Selection Policy of Ferrovial, S.A. At its meeting of 17 December 2020, the Board amended this Policy, which is now called the Board Composition Policy. This amendment was preceded by a proposal from the Nomination and Remuneration Committee.

The Policy aims to promote an appropriate composition of the Board of Directors. On the one hand, by ensuring that the proposals for appointment and re-election of its members are based on a prior analysis of the competencies required by the Company's Board of Directors; and on the other hand, by favouring diversity of knowledge, experience, nationality, age and gender on the Board.



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

In particular, it provides that an attempt shall be made to identify candidates who bring a diversity of knowledge, experience, nationality, age and gender to the Board of Directors, and any kind of implicit bias that may imply any discrimination shall be avoided. To this end, it provides for the possible hiring of external consultants for the selection of candidates for membership of the Board.

It also mentions that in the selection processes, an attempt will be made to achieve an adequate balance on the Board of Directors that enriches and contributes plural points of view to the debates and decision making.

Finally, it indicates that, before the end of the year 2022, the number of female Directors shall be at least thirty per cent of the total number of members of the Board of Directors. In order to achieve this objective, the external consultant who, where appropriate, collaborates in the selection of candidates will be instructed to seek and present profiles of the under-represented gender, provided that they meet the requirements set out in the Policy itself.

There were no vacancies on the Board of Directors during the financial year 2020. Consequently, no selection process has been carried out for candidates to form part of the Board.

B. Specific measures adopted by the Board of Directors and the Nomination and Remuneration Committee to achieve a balanced, diverse presence of directors.

As stated in section A, the Board agreed at its meeting of 17 December 2020, following a proposal from the Nomination and Remuneration Committee, to amend the Board Composition Policy.

In this amendment, age has been included as one of the criteria to be taken into account in the nominations in order to bring more diversity to the Board. In addition, the target for the presence of the least represented gender on the Board has been updated to 30% for the 2022 financial year. This objective has been established taking into account the opinions of stakeholders and the situation in other markets, as well as the current number of female Directors.

At its meeting held on 7 May 2020, the Board of Directors was informed of the report of an external consultant of recognised prestige specialising in selection processes for Directors in listed companies; among other matters, it set out recommendations to facilitate the identification of candidates for female Directors.

Section C.1.6 also explains the specific measures agreed by the Nominations and Remuneration Committee in order to increase the number of female Directors.

C.1.6 Explain the measures, if any, that the nominations committee has agreed to ensure that the selection procedures do not suffer from implicit biases that hinder the selection of female directors, and that the company deliberately seeks and includes among the potential candidates, women who meet the professional profile sought and who enable a balanced presence of women and men to be achieved. Also indicate whether these measures include encouraging the company to have a significant number of senior female managers

### Explanation of the measures

At its meeting of 14 December 2015, the Nomination and Remuneration Committee decided to apply the following measures when a Director selection process is set in motion:

- Include at least one curriculum from a person of the less represented gender in the final trio of applicants.
- Choose the candidate from the less represented gender, provided that the professional evaluation of the candidates is similar in terms of appropriateness, competence and professional performance.
- Evaluate annually and adopt, if applicable, an action plan to correct the deficiencies detected in regard to the composition of the Board in terms of diversity.

In addition, the terms of reference of external advisers of recognised standing who assist in the selection process include the obligation to seek applications from women with the required skills and profiles.

The Nomination and Remuneration Committee has included in the plan of matters to be dealt with at its meetings in 2021 the specific review of the progress made by the Company in terms of the diversity of its Board of Directors.

The measures agreed by the Nomination and Remuneration Committee do not expressly include encouraging the company to have a significant number of senior female managers. However, Ferrovial has measures in place to ensure the presence of female talent in key positions, in a similar proportion to their presence in the Company. To this end, it carries out actions aimed at attracting, developing, promoting and retaining women. These include the application of the "Rooney Rule" (at least one woman in the shortlist for positions with more than 3 years of experience), specific training plans, reduction of the pay gap and the development of an inclusive culture that promotes equal opportunities.



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

When, despite the measures that may have been adopted, there are few or no female directors or senior managers, explain the reasons for this:

### Explanation of the reasons

There are currently two female Directors among the twelve members of the Board of Directors (representing 16.6%). At the General Shareholders' Meeting held on 17 April 2020 it was agreed to re-elect Ms. Hanne Sorensen for three years. Ms. María del Pino was re-elected for three years at the 2019 General Shareholders' Meeting.

As indicated in the response to section C.1.5, no vacancies have arisen on the Board of Directors during the 2020 financial year and, therefore, no selection processes for candidates have been followed.

The number of female Directors has not changed during the year.

### C.1.7 Explain the conclusions of the nominations committee on the verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.

The Nomination and Remuneration Committee has verified compliance with the Director Selection Policy (now Board Composition Policy) at its meeting held on 29 July 2020.

The Committee considered that the Policy had been complied with in the latest selection processes carried out to fill vacancies on the Board. It noted however that the Company's internal commitment to the number of female Directors provided for in the Policy in force at that time (30% of the total number of Board members at the end of the financial year 2020) has not been met.

As stated in the response to section C.1.5, in December this Policy was amended with the aim, among others, of incorporating age as one of the criteria to be considered in candidacies in order to achieve greater diversity on the Board, and updating the target for representation of the least represented gender, placing it at 30% of the total number of Board members by the end of 2022.

### C.1.8 Explain, where appropriate, the reasons why proprietary directors have been nominated at the request of shareholders whose ownership interest is less than 3% of the capital

Name or corporate name of shareholder	Reason
MR JOAQUÍN DEL PINO CALVO-SOTELO	Mr. del Pino y Calvo-Sotelo holds, individually and through Soziancor, S.L.U. and Addition Sicav, S.A., a stake (2.549%) in the share capital of the Company as of 31 December 2020. In addition, together with his sister María, he held 1.217% of the share capital at 31 December 2020 jointly and indirectly, through Casa Grande de Cartagena, S.A.U. Mr. Joaquín del Pino Calvo-Sotelo's economic interest in the Company exceeds 3% of the Company's share capital.

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained:

[ ] Yes  
[ ✓ ] No

### C.1.9 Indicate the powers and authorities, if any, delegated by the board of directors to directors or board committees:

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Name or corporate name of the director or committee	Brief description
RAFAEL DEL PINO CALVO-SOTELO	All powers except those that cannot, under the law or the Company's Bylaws, be so delegated.
IGNACIO MADRIDEJOS FERNÁNDEZ	All powers except those that cannot, under the law or the Company's Bylaws, be so delegated.
EXECUTIVE COMMITTEE	All powers except those that cannot, under the law or the Company's Bylaws, be so delegated.

C.1.10 Indicate the members of the board, if any, who hold office as directors, representatives of directors or executives in other companies belonging to the listed company's group:

Name or corporate name of the director	Corporate name of the group entity	Position	Do they have executive functions?
MR. IGNACIO MADRIDEJOS FERNÁNDEZ	FERROVIAL CONSTRUCCIÓN, S.A.	Chairman	YES
MR. IGNACIO MADRIDEJOS FERNÁNDEZ	FERROVIAL SERVICIOS, S.A.	Chairman	YES

C.1.11 Give details of any directors or representatives of directors who are legal persons of your company, who are members of the board of directors or representatives of directors who are legal persons of other companies listed on regulated markets other than your group, that have been notified to the company:

Name or corporate name of the director	Corporate name of the listed company	Position
MR. ÓSCAR FANJUL MARTÍN	LAFARGEHOLCIM LTD.	VICE CHAIRMAN
MR. ÓSCAR FANJUL MARTÍN	MARSH & MCLENNAN COMPANIES	DIRECTOR
MR. SANTIAGO FERNÁNDEZ VALBUENA	AEDAS HOMES, S.A.	CHAIRMAN
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	GESTAMP AUTOMOCIÓN, S.A.	DIRECTOR
MR. BRUNO DI LEO	CUMMINS INC.	DIRECTOR
MR. PHILIP BOWMAN	KATHMANDU HOLDINGS LIMITED	DIRECTOR
MR. PHILIP BOWMAN	SKY NETWORK TELEVISION LIMITED	CHAIRMAN
MS. HANNE BIRGITTE BREINBJERG SØRENSEN	LAFARGEHOLCIM LTD.	DIRECTOR
MS. HANNE BIRGITTE BREINBJERG SØRENSEN	SULZER LTD.	DIRECTOR
MS. HANNE BIRGITTE BREINBJERG SØRENSEN	TATA CONSULTANCY SERVICES LIMITED	DIRECTOR



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Name or corporate name of the director	Corporate name of the listed company	Position
MS. HANNE BIRGITTE BREINBJERG SØRENSEN	TATA MOTORS LTD.	DIRECTOR

C.1.12 Indicate and, if applicable, explain whether the company has established rules on the maximum number of company boards on which its directors may sit, identifying, if applicable, where it is regulated:

[ ☒ ] Yes  
[ ☐ ] No

Explanation of the rules and identification of the document where it is regulated.

Article 35 of the Regulations of the Board of Directors of Ferrovial, which regulates the duty of diligence of Directors, states that they may not belong to more than five boards of directors of listed companies other than Ferrovial and its subsidiaries. For these purposes, all the boards of listed companies that form part of the same group will be counted as one board, as well as the boards of listed companies of which the director is a proprietary director proposed by any company of that group. Exceptionally, and for duly justified reasons, the Board may exempt the Director from this limitation.

C.1.13 Indicate the amounts of the following items relating to the overall remuneration of the Board of Directors:

Remuneration accrued in the financial year in favour of the Board of Directors (thousands of euros)	8,174
Amount of the rights accumulated by the current directors in relation to pensions (thousands of euros)	503
Amount of the rights accumulated by the former directors in relation to pensions (thousands of euros)	

C.1.14 Identify the members of senior management who are not simultaneously executive directors, and indicate the total remuneration accrued in their favour during the financial year:

Name or corporate name	Position/s
MR. JUAN IGNACIO GASTÓN NAJARRO	MANAGING DIRECTOR OF CONSTRUCTION
MR. FIDEL LOPEZ SORIA	MANAGING DIRECTOR OF SERVICES
MR. PEDRO MONTOYA SANTOS	COMPLIANCE AND RISK DIRECTOR
MR. JUAN FRANCISCO POLO MARTÍN	COMMUNICATION AND CORPORATE RESPONSIBILITY DIRECTOR
MR. ANDRÉS CAMACHO DONEZAR	MOBILITY DIRECTOR
MR. ALBERTO FERREIRO PRADO	INTERNAL AUDIT DIRECTOR
MR. ERNESTO LÓPEZ MOZO	CHIEF FINANCIAL OFFICER
MR. SANTIAGO ORTIZ VAAMONDE	GENERAL COUNSEL
MR. JORGE GIL VILLÉN	MANAGING DIRECTOR OF AIRPORTS
MS. MARÍA TERESA PULIDO MENDOZA	CORPORATE STRATEGY DIRECTOR
MR. DIMITRIS MIGUEL BOUNTOLOS MONTABES	MANAGING DIRECTOR OF INFORMATION AND INNOVATION SYSTEMS





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Name or corporate name	Position/s
MR. CARLOS CEREZO PAREDES	MANAGING DIRECTOR OF HUMAN RESOURCES
MR. ALEJANDRO DE LA JOYA RUIZ DE VELASCO	MANAGING DIRECTOR OF TOLL ROADS
MR. VALENTÍN ALFAYA ARIAS	SUSTAINABILITY DIRECTOR

Number of women in senior management	1
Percentage over the total number of members of senior management	7.14
Total remuneration senior management (thousands of euros)	15,840

C.1.15 Indicate whether there have been any amendments to the Board Regulations during the year:

[ √ ] Yes  
[ ] No

### Description of amendments

During the year, the Board of Directors approved two amendments to its Regulations.

A) At its meeting of 27 February 2020, it approved the amendment of Article 35, which regulates the basic obligations of Directors deriving from the duty of diligence, to limit to five the maximum number of boards of listed companies other than Ferrovial and its subsidiaries to which the Company's Directors may belong. The purpose of this amendment was to introduce the content of the second paragraph of recommendation 25 of the Good Governance Code of Listed Companies.

B) At its meeting on 17 December 2020, it approved the amendment of several precepts. This reform has pursued the following objectives:

- To assume the recommendations of the Good Governance Code of Listed Companies after its partial reform in June 2020. In this regard, the changes mainly affect the functions of the Audit and Control Committee in relation to non-financial information and risks, and the transparency of the decisions adopted when the situation of a director may affect the credit and reputation of the Company.

- To introduce technical or drafting improvements, having adjusted several definitions to what is established in the regulations (internal or external) and clarified the wording of several articles.

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of directors.

List the competent bodies, procedures and criteria used for each of these procedures.

#### A. Selection of Directors

The competencies of the Nomination and Remuneration Committee include evaluating the skills, knowledge and experience necessary on the Board of Directors, and defining, as a result, the functions and skills necessary in the candidates to cover vacancies. The Nomination and Remuneration Committee is also responsible for assessing the time and dedication necessary to carry out their responsibilities properly.

The Nomination and Remuneration Committee is required to:

- Submit to the Board of Directors proposals to appoint Independent Directors by co-option or to submit the proposal to a vote at the General Shareholders' Meeting, along with any proposals to re-elect or dismiss these Directors by the General Shareholders' Meeting.
- Report on proposals for nominations of the remaining Directors for their appointment by co-option or to submit the proposal to a vote at the General Shareholders' Meeting, along with any proposals to re-elect or dismiss these Directors by the General Shareholders' Meeting.

In any event, the board must issue a report on the competence, experience and merits of the proposed candidate.

The Regulations of the Board of Directors provide that any Board member may propose potential candidates for Board vacancies to the Nomination and Remuneration Committee.

On 15 December 2015, the Board of Directors approved the Director Selection Policy of Ferrovial, S.A. At its meeting of 17 December 2020, the Board amended this Policy, which is now called the Board Composition Policy. The Policy indicates that the director selection process must achieve the right balance on the Board of Directors to enrich discussion and decision-making by providing a plurality of points of view. Specifically, it will try to identify candidates who provide a diversity of knowledge, experience, nationalities and gender to the Board, and it will avoid any implicit bias that might imply any form of discrimination. The policy further provides that the Company



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may enlist the services of an external advisor in director selection procedures. Finally, the Policy lists a range of requirements that the Company must consider, among others, when selecting candidates for directorships.

The Regulations of the Board of Directors require the Company to set up an induction programme for newly-appointed Directors to provide them with a broad and balanced overview of Ferrovial, including its rules on corporate governance, together with refresher programmes when circumstances so dictate.

### B. Term of office

Under the Bylaws and the Regulations of the Board of Directors, Directors shall hold office for a period of 3 years and may be re-appointed.

### C. Appointment of the CEO, Secretary of the Board and members of the Committees.

The Nomination and Remuneration Committee is required to:

- Submit a report on the appointment of the CEO and Secretary to the Board.
- Report on the nomination of members who are to form part of each of the Committees, taking into account the knowledge, aptitudes and experience of the Directors and the duties entrusted to each Committee.

### D. Removal of Directors

The removal of Directors from office is detailed in section C.1.19.

### C.1.17 Explain to what extent the annual evaluation of the Board has given way to important changes in its internal organisation and concerning the procedures applicable to its activity

#### Description of amendments

The annual evaluation of the Board has not prompted significant changes to its internal organisation or procedures.

However, based on the findings and recommendations of the external consultant who assisted in the evaluation process, the Board agreed to establish as an action plan, among other actions: (i) to continue to strengthen its work in defining the long-term strategy; and (ii) to advance in the digital transformation of the group.

Describe the evaluation process and the areas evaluated carried out by the board of directors, aided where appropriate by an external consultant, with respect to the operation and composition of the board and its committees and any other area or aspect that has been subject to evaluation.

#### Description process for the evaluation and areas evaluated

The evaluation process for the Board of Directors is carried out every year with the support of a leading external consultant. In 2020 the following were reviewed: (i) the evolution of the areas for improvement identified in the previous evaluation; (ii) general issues affecting the Board (number of Directors, their experience and skills, their training and development, their independence and judgement, and the supervision of the Committees); (iii) the dynamics of its functioning, its competencies and relations with the management team; (iv) the operating dynamics and competencies of the Board's Committees; (v) the performance of the Chairman, the CEO and the Secretary.

The Directors answer a questionnaire prepared by the external advisor and have an interview with the external advisor. The consultant processes and assesses the information provided in the responses and presents the results at a Board meeting, including its analysis and conclusions.

In addition to the evaluation process, the Audit and Control and Nomination and Remuneration Committees prepare an annual report on their operation. Following the CNMV's practical guidelines on both types of Committee, the report of the former is approved by the Board and the report of the latter is submitted to the Board. Both reports are published on the Company's website sufficiently in advance of the Ordinary General Shareholders' Meeting.

### C.1.18 Breakdown, in those years in which the evaluation has been assisted by an external consultant, of the business relations that the consultant or any company in its group has with the company or any company in its group.

KPMG has assisted in the evaluation process of the Board of Directors for the year 2020.

KPMG has the following business relationships with the Ferrovial Group:

- It provides various types of consulting services to the group (mainly, advice on the review of financial and non-financial information in processes of mergers and acquisitions ("due diligence"), financial audit models and expert reports).



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

### C.1.19 Indicate the cases in which directors are obliged to resign.

Directors shall resign at the end of their term of office or when the General Shareholders' Meeting so decides. Also under any of the following circumstances:

- In the case of an Executive Director, where the Board of Directors considers it appropriate.
- In the case of Proprietary Directors, when the shareholder they represent disposes of their shareholding in its entirety. Directors must also resign from office, in a suitable number, if their shareholding is reduced to a level that requires a reduction in the number of Proprietary Directors.

A director must place its position at the disposal of the Board, and formalise its resignation if the latter deems it appropriate, in the following cases:

- When he/she is in any situation giving rise to a conflict of interest or otherwise prohibiting him/her from holding office, whether provided for by law or by Company regulations.
- At the Board's request, because the Director has seriously breached its obligations.
- On reaching the age of 72 years.
- Should significant changes take place in his/her professional situation or the conditions by virtue of which he/she was nominated Director.
- When his/her remaining on the Board may jeopardise Ferrovial's interests or damage its credit and reputation. In the event that the Board becomes aware (through having been informed by the Director or otherwise) that the Director is in a situation, whether or not related to their performance at Ferrovial, which may damage the credit and reputation of Ferrovial; the Board shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, following a report from the Nomination and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the Director or proposing his dismissal. This will be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which must be recorded in the minutes. This is without prejudice to the information to be disseminated by the company, where appropriate, when the relevant measures are taken.

With regard to Independent Directors, the Regulations of the Board of Directors state that the Board will not ask any of them to resign before the end of the term of office to which they were appointed unless it considers there are reasonable grounds for doing so after a report has been received from the Nomination and Remuneration Committee. In particular, just cause will be presumed when an Independent Director takes up new posts or responsibilities that prevent them from allocating sufficient time to the work of a Board member, or are in breach of the duties of their position, raise conflicts of interests, or come under one of the disqualifying grounds for classification as independent listed in the applicable legislation.

The removal of Independent Directors may also be proposed if a takeover bid, merger or similar corporate transaction alters the Company's capital structure, provided the changes in Board membership ensue from the proportionality criterion set out in the good governance recommendations taken up by the Company.

When a Director, either by resignation or by resolution of the General Shareholders' Meeting, leaves office before the end of his term of office, they shall sufficiently explain the reasons for their resignation or, in the case of Non-Executive Directors, their opinion on the reasons for the removal by the General Shareholders' Meeting, in a letter to be sent to all members of the Board. Without prejudice to the fact that all this is reported in the Annual Corporate Governance Report, to the extent that it is relevant for investors, the Company shall publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the Director.

### C.1.20 Are qualified majorities, other than legal majorities, required for any type of decision?

- ☒ Yes  
☐ No

If applicable, describe the differences.

#### Description of differences

[ An amendment to the Regulations of the Board of Directors requires the agreement of the majority of the members of the Board of Directors. ]

### C.1.21 Explain whether there are specific requirements, other than those relating to directors, to be appointed Chairman of the Board of Directors:

- ☐ Yes  
☒ No

### C.1.22 Indicate whether the Bylaws or the Regulations of the Board of Directors set any age limit for directors:



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

[ ☒ ] Yes  
[ ☐ ] No

	Age limit
Chairman	72
Chief Executive Director	72
Director	72

[ In accordance with the Regulations of the Board of Directors, all Directors must place their position at the disposal of the Board of Directors and formalize their resignation, if the Board deems it appropriate, when they reach the age of 72. ]

C.1.23 Indicate whether the Bylaws or the Regulations of the Board of Directors establish a limited mandate or other stricter requirements in addition to those legally established for independent directors, other than those established in the regulations:

[ ☐ ] Yes  
[ ☒ ] No

C.1.24 Indicate whether the Bylaws or Regulations of the Board of Directors establish any specific rules for voting by proxy at board meetings on behalf of other directors, the manner of doing so and, in particular, the maximum number of proxy appointments a director may make. Also indicate whether there are any limitations on the categories for proxy appointments, beyond those established by law. If so, give brief details.

[ In accordance with the Regulations of the Board of Directors, Directors must attend the sessions held in person, and where this is not possible, they may, for each session and through any written means including electronic mail, delegate their representation to another Director, with any instructions they deem necessary. This delegation shall be notified to the Chairman or to the Secretary of the Board of Directors. A single Director may hold several delegations. Non-Executive Directors may only delegate their representation upon another Non-Executive Director. ]

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board has met without the attendance of its Chairman. Attendance will also include proxies appointed with specific instructions.

Number of Board meetings	8
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Number of Board meetings held without the Chairman's attendance	0
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Indicate the number of meetings held by the lead director with the other directors, without the attendance or representation of any executive director:

Number of meetings	0
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Indicate the number of meetings of the various Board committees held during the year.

Number of meetings of the Audit and Control Committee	5
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## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Number of meetings of the Nomination and Remuneration Committee	6
Number of meetings of the Executive Committee	6

The Lead Director has held individual meetings with each of the Non-Executive Directors.

In addition, the Board of Directors adopted resolutions in writing and without a meeting on 11 February, 30 March, 7 June and 29 October 2020.

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and the attendance data of its members:

Number of meetings attended in person by at least 80% of the directors	8
% of attendance in person of the total votes cast during the financial year	100.00
Number of meetings with attendance in person, or representations made with specific instructions, of all directors	8
% of votes cast with attendance in person and representations made with specific instructions, on the total votes during the financial year	100.00

C.1.27 Indicate whether the individual and consolidated annual accounts that are submitted to the Board for formulation are previously certified:

☒ Yes  
☐ No

Identify, where applicable, the person(s) who certified the Company's individual and consolidated financial statements prior to their authorisation for issue by the Board:

Name	Position
MR. IGNACIO MADRIDEJOS FERNÁNDEZ	CHIEF EXECUTIVE OFFICER
MR. ERNESTO LÓPEZ MOZO	CFO
MR. RAFAEL DEL PINO CALVO-SOTELO	CHAIRMAN OF THE BOARD OF DIRECTORS

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

The Regulations of the Board of Directors mention, among the powers attributed to the Board, to ensure that the annual accounts that the Board of Directors prepares and submits to the General Shareholders' Meeting, prepared in accordance with accounting regulations, do not contain limitations and qualifications in the auditors' report.

The Regulations also confer on the Audit and Control Committee the power to ensure that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

C.1.29 Is the secretary of the board a director?

☐ Yes  
☒ No

If the Secretary is not a director, please complete the following box:

Name or corporate name of secretary	Representative
MR. SANTIAGO ORTIZ VAAMONDE	

C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of the external auditors, as well as, if any, the mechanisms to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

The duties of the Audit and Control Committee include (i) submitting to the Board of Directors proposals for the selection, appointment, re-election and replacement of the auditor; (ii) proposing to the Board the scope of the work to be carried out by the auditor; (iii) ensuring that the remuneration of the auditor does not compromise its quality or independence; (iv) ensuring that the Company and the external auditor comply with current regulations on the provision of non-audit services, the limits on the auditor's concentration of business and, in general, other regulations on auditor independence; and (v) establishing the appropriate relations with the external auditor in order to receive information on any issues that may threaten their independence, for the purpose of examining them if appropriate.

The Audit and Control Committee receives annually from the auditor the declaration of its independence in relation to the Company or entities directly or indirectly related to it, as well as detailed or individualised information on additional services of any kind rendered and the corresponding fees received from these entities by the aforementioned auditor or by the persons or entities related to it in accordance with the provisions of the legislation on auditing of accounts. Prior to the issue of the external auditor's report, the Committee approves a report every year expressing an opinion on whether the independence of the external auditor is compromised. This report contains the reasoned assessment of the provision of the additional services, considered individually and as a whole, other than the statutory audit.

The auditor has had sufficient time to inform the Audit and Control Committee at its meetings without the presence of the Company's executives.

The Company also has an internal procedure that regulates the engagement of any professional audit services and other consultancy or advisory services with any audit firms and entities related to them or belonging to the same network, regardless of whether or not they are responsible for auditing the consolidated and individual financial statements of Ferrovial, S.A. or its subsidiaries at any given time. Based on this internal procedure, the contracting of certain non-audit services has been authorised with the external audit firm and with other audit firms. When such services have been authorized by the Audit and Control Committee such Committee, in its analysis, has considered the nature and circumstances of the service, the issues that may arise in relation to the regulations on independence and the reasons that justify hiring a specific audit firm.

Likewise, the Finance Department periodically submits to the Audit and Control Committee (i) a summary of all the work authorised to date; and (ii) an estimate of the costs to be incurred in the remainder of the year. Likewise, the Finance Department ensures that this information is consistent with the information the auditor must submit to the Audit and Control Committee and with that published in the annual accounts and in the annual corporate governance report in accordance with the applicable regulations.

The Audit and Control Committee also receives information on the audit fees received by the external auditor (and by the rest of the group's auditors) during the corresponding year, and their variation in relation to the previous year.

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

The Company has put in place an internal procedure with measures to ensure that it does not employ any staff or senior managers who are carrying out, or have carried out, analysis work in rating agencies involving the Company or its subsidiaries whose shares are listed on a stock exchange, or who have worked for a rating agency, within a period of two years after they have left the rating agency. The General Human Resources Department is responsible for implementing this policy.

Finally, Ferrovial has approved a general policy for corporate, economic-financial and non-financial communication and contact with shareholders, institutional investors, other stakeholders and the market in general. Such policy regulates, among other things, communication with credit rating agencies. It states that such communication is the responsibility of the Finance Department and that this department maintains fluid and permanent contact with these agencies in order to keep them up to date on the progress of the group and on the evolution of corporate and financial transactions communicated to the market by the Company, as well as to respond to their questions and suggestions, in compliance with the applicable regulations.

C.1.31 Indicate whether the Company has changed external auditors during the year. If so, identify the incoming and outgoing auditor:

☒ Yes  
☐ No

Outgoing Auditor	Incoming Auditor
Deloitte, S.L.	Ernst & Young, S.L.

The General Shareholders' Meeting held on 17 April 2020 resolved to appoint Ernst & Young, S.L. as auditors of Ferrovial and its consolidated group for the financial years 2020 to 2022, in accordance with the recommendation from the Audit and Control Committee. This agreement was the result of the selection process for which this Committee was responsible.

In the event that there were disagreements with the outgoing auditor, explain the content of these:

☐ Yes  
☒ No

C.1.32 Indicate whether the audit firm performs non-audit work for the Company and/or its group and, if so, state the amount of the fees paid for such work and the percentage that the above amount represents of the fees invoiced for auditing work to the company and/ or its group:

☒ Yes  
☐ No

	Company	Group companies	TOTAL
Amount of non-audit work (in thousands of euros)	0	550	550
Amount of non-audit work / Amount of audit work (%)	0.00	18.60%	18.60%

C.1.33 Indicate whether the audit report on the previous year's financial statements is qualified. If applicable, indicate the reasons given to the shareholders at the General Shareholders' Meeting by the Chairman of the Audit Committee to explain the content and scope of such qualifications.

☐ Yes  
☒ No



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

C.1.34 Indicate the number of consecutive years that the current audit firm has been auditing the company's individual and consolidated financial statements and/or consolidated accounts. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	1	1

	Individual	Consolidated
Number of years audited by current audit firm/Number of ° years the Company or its group has been audited (%)	2.8%	2.8%

C.1.35 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies:

☒ Yes  
☐ No

### Procedures

Each year, the Board of Directors adopts, on a proposal from the Chairman, a schedule of dates and topics for the meetings scheduled to take place during the following year.

According to the Regulations of the Board of Directors, the meetings of the Board may be called by any written method, including electronic mail, personally addressed to each Director with a notice period of, at least, forty-eight hours (In practice, the meetings are called one week in advance). The agendas of Board meetings should clearly indicate on which points the Board of Directors must arrive at a decision or agreement.

Pursuant to the Regulations of the Board of Directors, the Chairman of the Board of Directors, in collaboration with the Secretary, is responsible for ensuring that Directors have the information necessary to deliberate on and adopt resolutions on the matters at hand, prior to the meeting and sufficiently in advance, unless the Meeting is constituted or called for reasons of urgency. Moreover, the Secretary assists the Chairman so that Directors receive information with sufficient notice and in an appropriate format.

Finally, the Regulations of the Board of Directors state that Directors are at liberty to directly approach any member of Senior Management for information, informing the Chairman when doing so. They are also free to ask the Chairman, the Deputy Chairman, the CEO and the Secretary to the Board for any further information they may reasonably require.

C.1.36 Indicate whether the company has established rules that oblige directors to report and, where appropriate, resign when situations arise that affect them, whether or not related to their actions in the company that could damage the credit and reputation of the company:

☒ Yes  
☐ No

### Explain the rules

Article 42 of the Regulations of the Board of Directors, which regulates Directors' duties of information, states in section d) that Directors must inform the Company, through the Chairman or the Secretary of the Board, of situations affecting them, whether or not related to their performance at Ferrovial, which may damage the credit and reputation of Ferrovial; in particular, criminal cases in which they are under investigation and the progress of the proceedings.

Article 30.5 of the aforementioned Regulations establishes in section c) that Directors must tender their resignation to the Board of Directors and formalize their resignation, if the Board deems it appropriate, when their remaining on the Board could jeopardize the interests of Ferrovial, or damage its credit and reputation.





## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

In the event that the Board becomes aware (through having been informed by the Director or otherwise) that the Director is in any of the situations contemplated in article 42 d) above, the Board shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, after a report from the Nomination and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the Director or proposing the Director's removal.

This will be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify not doing so, which must be recorded in the minutes. This is without prejudice to the information to be disseminated by the company, where appropriate, when the relevant measures are taken.

C.1.37 Indicate, unless there are special circumstances that have been recorded in the minutes, whether the Board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to their performance in the company, which could damage the credit and reputation of the company:

[ ] Yes  
[ ✓ ] No

C.1.38 List any significant agreements entered into by the Company that come into force, are amended or terminate in the event of a change of control of the Company as a result of a takeover bid, and their effects.

Ferrovial has had a Multicurrency Revolving Facility Agreement with certain financial institutions since April 2014. This stipulates early repayment in the event of a change in control at Ferrovial, authorising each of these institutions to withdraw the financing given on an individual basis for 90 days thereafter. A change in control is defined as the combination of the following: (i) a person or group of people acting decisively to gain ownership of 50% or more of the shares or voting rights of Ferrovial or appoint over half of the members of the Board; and (ii) Ferrovial's rating is adversely affected in the 90 days following the change in control becoming known or actually happening

In May and June 2020, Ferrovial, S.A. entered into credit agreements with several credit institutions to finance general corporate needs. The agreements include, as an event of early repayment, a change of control of Ferrovial, S.A. For these purposes, there will be a change of control in substantially the same terms as those described for the Multicurrency Revolving Facility Agreement in the preceding paragraph.

In May 2013 Ferrovial Emisiones, S.A., 100% subsidiary of Ferrovial S.A., issued bonds listed on the London Stock Exchange, guaranteed by Ferrovial, S.A. and maturing in 2021. Also, in July 2014, September 2016, March 2017 and in May, June and November 2020, Ferrovial Emisiones, S.A. issued bonds admitted to trading on the AIAF fixed-income market, also guaranteed by Ferrovial, S.A. and maturing in 2024, 2022, 2025, 2026, 2026 and 2028, respectively. Section 7© of the Terms and Conditions included in the issue prospectuses establishes as a case of early total or partial redemption, at the option of the holders of the bonds, the fact that there is a change of control of Ferrovial, S.A., which also results in the loss or lowering of the "rating" of Ferrovial, S.A. For these purposes, a change of control is understood to be an event of acquisition of ownership of more than 50% of the Company's voting rights at the General Shareholders' Meeting or of the right to appoint the majority of the members of the Board of Directors by a person or persons not related to Portman Baela, S.L., for the 2013 and 2014 issues, or by a person or persons not related to Menosmares, S.L.U., Rijn Capital BV, Soziancor, S.L.U., Casa Grande de Cartagena, S.L.U. or Siemprelara, S.L.U., for the 2016, 2017 and 2020 issues.

In December 2016 and November 2017, Ferrovial and several of its subsidiaries entered into counter-guarantee contracts with several insurance companies for the issuance of bonding guarantees on behalf of Ferrovial Group companies. The contracts include the ability of insurers to request counter-guarantees in cash if there is a change of control at Ferrovial. For these purposes, there shall be a change of control under essentially identical terms as those described for bond issues in the previous paragraph.

The Company and its group are also party to less onerous contracts, mainly financial in nature, that require authorisations or set conditions for a change of control or corporate transactions such as a merger or spin-off. These include a change of control in Ferrovial, S.A. among the grounds for early termination.

There are contracts with suppliers of IT and telecommunication services that include a change of control in Ferrovial, S.A. among the grounds for early termination.

C.1.39 Identify individually, when referring to directors, and in aggregate in all other cases, and indicate in detail any agreements between the company and its directors, management or employees that provide for indemnities, guarantee or golden parachute clauses when they resign or are dismissed without just cause or if the contractual relationship comes to an end as a result of a takeover bid or other type of transaction.

Number of beneficiaries	0
Type of beneficiary	Description of the agreement



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

None.	None.
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Indicate whether, in addition to the cases provided for by law, these contracts must be notified to and/or approved by the bodies of the company or its group. If so, specify the procedures, assumptions envisaged and the nature of the bodies responsible for approving or communicating them:

	Board of Directors	General Shareholders' Meeting
Body authorising the clauses		
	Yes	NO
Is the General Shareholders' Meeting informed of such clauses?		✓

### C.2. Board of Directors' Committees

C.2.1 List all the committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other external directors that comprise them:

Audit and Control Committee		
Name	Position	Category
MR. ÓSCAR FANJUL MARTÍN	CHAIRMAN	Independent
MR. SANTIAGO FERNÁNDEZ VALBUENA	DIRECTOR	Another External
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	DIRECTOR	Independent
MR. PHILIP BOWMAN	DIRECTOR	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	75.00
% of other external directors	25.00

Explain the duties, including, if applicable, those additional to those provided for by law, attributed to this committee, and describe its procedures and rules of organisation and operation. For each of these duties, indicate its most important actions during the year and how each of the duties attributed to it either in law or in the Bylaws or other corporate resolutions have been carried out in practice.

#### DUTIES

The Bylaws and the Regulations of the Board of Directors attribute the following powers to the Audit and Control Committee:

In the area of financial reporting:

- Supervise and evaluate the preparation process and the integrity of the financial and non-financial information relating to the Company and its group, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
- Ensure that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are prepared in accordance with accounting regulations. In those cases in which the auditor has included a qualification in its audit report, the Chairman of the



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Audit and Control Committee shall clearly explain at the General Shareholders' Meeting the opinion of said Committee on its content and scope, making a summary of said opinion available to the shareholders at the time of publication of the notice of the Meeting, together with the rest of the proposals and reports of the Board, at the time of publication of the notice of the Meeting.

- Prior to its approval by the Board, report upon the financial information which the Company must furnish periodically to the markets, investors or public authorities as required by the regulations applicable.
- Supervise the effectiveness of the internal control of the Company and discuss with the auditor, any significant weaknesses detected in the internal control system detected in the course of the audit, without violating its independence; and, where appropriate, submit proposals or recommendations to the governing body and the corresponding deadline for their follow-up.

In relation to risk control:

- Supervise and evaluate the control and management systems for financial and non-financial risks relating to the Company and the Group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks.

In relation to the Internal Audit:

- Propose the selection, appointment, re-election or removal of the Internal Audit Director, who will depend functionally on the Chairman of the Committee.
- Supervise the independence of the Internal Audit Department; ensure that it has the human, technical and material resources and training necessary to carry out its duties and for this purpose, propose its budget.
- Receive regular information on the activities of the internal audit services; approve, upon presentation by the Director, the orientation and its annual work plan, ensuring that its activity is primarily focused on risks (including reputational); receive information from the Director of Internal Audit on its implementation, including possible incidents and limitations to the scope of its development, the results and follow-up of its recommendations; and verify that senior management takes into account the conclusions and recommendations of its reports.

In relation to the external auditor:

- Submit proposals for selection, appointment, re-election and substitution of the external auditor to the Board of Directors, taking responsibility for the selection process in accordance with the provisions of applicable regulations, alongside the conditions for their appointment, regularly reviewing this information with regards to the audit and its performance, as well as maintaining independence in the performance of its duties.
- Establish the appropriate relationships with the auditor so as to receive information about those issues that might represent a threat to its independence, and any others related to the performance of the audit itself.
- The Audit Committee shall act as a communication channel between the Board of Directors and the external auditor. It will receive regular information from the Board about its work and assess the results of each audit and the responses of the senior management team to the audit recommendations.
- Ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the auditor's business concentration and other requirements concerning auditor independence.
- Issue a report upon the independence of the auditor, which shall be published on the website of the Company sufficiently far in advance of the date of the Ordinary General Meeting of the Company. Ensure that the auditor's remuneration does not compromise its quality or independence.
- Carry out an assessment of the service provided by the auditor every five years so as to verify its quality.

In relation to other matters:

- Inform the General Shareholders' Meeting about the issues that arise within it in matters within its competence.
- Establish and supervise Ferrovial's ethical channel (managed by the Compliance Department in coordination with other management bodies and in particular with the Internal Audit Department), which allows employees and other persons related to the Company, as Directors, shareholders, suppliers, contractors or subcontractors to report, confidentially and anonymously via the Internet or a post office box, any potentially significant irregularities, including financial, accounting or any other type of irregularity related to Ferrovial that are detected within the Company or its group.

Continued in Section H.

Identify the directors who are members of the audit committee and who have been appointed taking into account their knowledge and experience in accounting, auditing or both and report on the date of appointment of the Chairman of this committee to the post.

Name of the directors with experience	MR. ÓSCAR FANJUL MARTÍN / MR. SANTIAGO FERNÁNDEZ VALBUENA / MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ / MR. PHILIP BOWMAN
Date of the appointment of the chairman in the position	19/12/2019

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Nomination and Remuneration Committee		
Name	Position	Category
MR. SANTIAGO FERNÁNDEZ VALBUENA	DIRECTOR	Other External
MR. JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	CHAIRMAN	Independent
MR. BRUNO DI LEO	DIRECTOR	Independent
MS. HANNE BIRGITTE BREINBJERG SØRENSEN	DIRECTOR	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	75.00
% of other external directors	25.00

Explain the duties, including, if applicable, those additional to those provided for by law, attributed to this committee, and describe its procedures and rules of organisation and operation. For each of these duties, indicate its most important actions during the year and how each of the duties attributed to it either in law or in the Bylaws or other corporate resolutions have been carried out in practice.

### DUTIES

The Corporate Bylaws and the Regulations of the Board of Directors allocate the following responsibilities to the Nomination and Remuneration Committee:

In relation to the composition of the Board of Directors and of its Committees:

- Evaluate the competences, knowledge and experience necessary on the Board of Directors For these purposes, it shall define the duties and aptitudes required of the candidates for a vacancy, and evaluate the time and dedication necessary for them to be able to fulfil the duties entrusted effectively.
- Establish a representation objective for the less represented gender on the Board of Directors, and prepare guidelines as to how to attain that objective.
- Submit to the Board of Directors the proposals to appoint Independent Directors by co-option or to submit the proposal to a vote at the General Shareholders' Meeting, along with any proposals to re-elect or dismiss these Directors by the General Shareholders' Meeting.
- Report on proposals for nominations of the remaining Directors for their appointment by co-option or to submit the proposal to a vote at the General Shareholders' Meeting, along with any proposals to re-elect or dismiss these Directors by the General Shareholders' Meeting.
- Report on proposals to appoint the individuals who are to represent a legal person Director.
- Provide information on the nomination of the Chairman and the Deputy Chairmen of the Board of Directors, the Secretary and the Deputy Secretary to the Board of Directors.
- Report on the nomination of the CEO.
- Report on the nomination of members who are to form part of each of the Committees, taking into account the knowledge, aptitudes and experience of the Directors and the duties entrusted to each Committee.

In relation to the remuneration of Directors and senior management:

- Propose the remuneration policy for Directors and senior management to the Board of Directors.
- Propose the individual remuneration and other contractual conditions of Executive Directors, ensuring that these are complied with.
- Propose the basic conditions of the contracts for senior managers.
- Monitor compliance with the remuneration policy set by the Company.
- Periodically review the remuneration policy applied to the Directors and senior managers, including the remuneration systems based on shares and their application, as well as ensuring that their individual remuneration is in due proportion to what is drawn by the remaining Directors and senior managers of the Company.
- Verify the information on the remuneration of the Directors and senior managers contained in the different corporate documents, including the Annual Report on Directors' Remuneration.

In relation to the appointment of senior managers of the Company and of directors in subsidiaries:

- Report on proposals for the appointment and removal of senior managers.
- Report on the appointment of Ferrovial representatives to the boards of the key subsidiaries and investees as determined by the Board of Directors.

Other duties:

- Draft the reports on the annual evaluation of the Board of Directors and for the evaluation of the Committee by the Board.



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

- Examine and organise the succession of the Chairman of the Board of Directors and of the Company's Chief Executive, and prepare proposals, where appropriate, for the Board of Directors to ensure an orderly and planned succession.
- Ensure that the Non-Executive Directors have sufficient time available for the proper conduct of their remit.

### FUNCTIONING

The Chairman of the Committee shall preside over its meetings, direct the deliberations of the matters to be discussed and shall have the casting vote in the event of a tie of the votes.

The Committee will meet following a call by its Chairman, who should do so when so requested by the Board of Directors, the Chairman of the Board of Directors, or two members of the Committee, and in any event, when required for the proper performance of its duties.

The Committee shall be deemed to be validly constituted when more than half of its members are present or represented at the meeting, and agreements shall be taken by absolute majority vote by those present.

To better fulfil its duties, the Committee may seek the opinion of external advisers, for which purposes, the provisions of the Board regulations will apply.

Any member of the management team or Company personnel required to do so will be obliged to attend the Committee's meetings, providing it with their assistance and access to the information they have. When so determined by the Committee, they shall attend without the presence of any other executive.

The Committee shall consult the Company's Board Chairman and Chief Executive, especially on matters relating to Executive Directors and senior managers.

It will also issue a report on its operations, which will be published on the Company website sufficiently in advance of the Company's General Shareholders' Meeting.

Anything not specifically provided for with regard to the Committee will be subject to the Regulations of the Board of Directors as long as this is compatible with the nature and function of the Committee.

Most important actions during the year

As in previous years, the Committee approved a work plan with a forecast of matters to be dealt with at each of its meetings in 2020, incorporating one-off matters during the year.

Continued in Section H.

Executive Committee		
Name	Position	Category
MR. IGNACIO MADRIDEJOS FERNÁNDEZ	DIRECTOR	Executive
MR. ÓSCAR FANJUL MARTÍN	DIRECTOR	Independent
MR. JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	DIRECTOR	Independent
MS. MARÍA DEL PINO CALVO-SOTELO	DIRECTOR	Proprietary
MR. JUAN MANUEL HOYOS MARTÍNEZ DE IRUJO	DIRECTOR	Independent
MR. RAFAEL DEL PINO CALVO-SOTELO	CHAIRMAN	Executive

% of executive directors	33.33
% of proprietary directors	16.67
% of independent directors	50.00
% of other external directors	0.00

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9, and describe the procedures and rules of organisation and operation of the committee. For each of these functions, indicate its most important actions during the financial year and how it has exercised each of the duties attributed to it in practice, whether by law, in the Bylaws or in other corporate resolutions.

The Executive Committee of the Company has been delegated all the duties allocated to it by the Board of Directors, except for those which under the law or the Bylaws cannot be delegated.

### FUNCTIONING



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

The Regulations of the Board of Directors stipulate the following rules:

The Executive Committee shall consist of no fewer than three and no more than eight members. It must have at least two Non-Executive Directors, at least one of whom must be an Independent Director.

The Executive Committee shall ordinarily meet once per month, and as often as the Chairman should deem fit for the proper operation of the Company.

The meetings of the Executive Committee shall be called by any written means addressed to each of its members at least one day prior to the date of the meeting, except in the event of extraordinary circumstances deemed necessary by the Chairman, in which case the Executive Committee may be called without such prior notice.

The meeting of the Executive Committee shall be quorate when more than one half of its members attend, in person or represented.

In the absence or impossibility of the Chairman, his functions shall be exercised by the Vice-Chairman if he is a member of the Committee and, failing this, by the Director appointed by the Committee.

The agreements shall be adopted by absolute majority of those present at the session. The Chairman shall have the casting vote in the event of a tie.

Minutes are taken of all meetings of the Executive Committee and are circulated to all members of the Board for information on the issues discussed and the decisions reached on each item.

With respect to remaining matters, the Executive Committee is governed, where applicable, by the rules applicable to the Board of Directors established in the Corporate Bylaws and in the Regulations of the Board of Directors.

### MOST IMPORTANT ACTIONS CARRIED OUT DURING THE YEAR

During the meetings held over the year, the Executive Committee has approved and was informed of those operations when it proceeds in accordance with the internal regulations of the Company.

Likewise, within the framework of its duty to supervise the Company's activity as a delegated body of the Board of Directors, the Executive Committee has monitored the evolution of (i) the Group's cash flow and financial information; (ii) the main operating indicators of each of the business divisions; (iii) the most relevant indicators on health and safety and the impact of Covid 19 on the group; and (iv) the most relevant issues and projects affecting Ferrovial.

C.2.2 Complete the following table with information on the number of female directors on the Board of Directors' Committees at the end of the last four financial years:

	Number of female directors							
	Financial year 2020		Financial year 2019		Financial year 2018		Financial year 2017	
	Number	%	Number	%	Number	%	Number	%
Audit and Control Committee	0	0.00	0	0.00	0	0.00	0	0.00
Nomination and Remuneration Committee	1	25.00	1	25.00	0	0.00	0	0.00
Executive Committee	1	16.67	1	16.67	1	14.29	1	14.29

C.2.3 Indicate, where applicable, the existence of regulations governing the Board committees, where they are available for consultation, and any amendments made during the year. In turn, indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

The Audit and Control Committee and the Nomination and Remuneration Committee have drawn up reports on their operation, which are published on the Company's website ([www.ferrovial.com](http://www.ferrovial.com)) sufficiently in advance of the General Shareholders' Meeting.

The regulations of the Executive Committee, the Audit and Control Committee and the Nomination and Remuneration Committee are included in the Bylaws (articles 49 to 52) and in the Regulations of the Board of Directors (articles 18 to 24).



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A record of the Bylaws and Regulations of the Board of Directors is filed at the Mercantile Registry. Alternatively, they can be consulted on the Company's website: [www.ferrovial.com](http://www.ferrovial.com). The Regulations of the Board of Directors are also available on the CNMV's website ([www.cnmv.es](http://www.cnmv.es)).

### D. RELATED-PARTY TRANSACTIONS AND INTER-GROUP OPERATIONS

#### D.1 Explain, where applicable, the procedure and the competent bodies to approve related-party or intra-group transactions.

The transactions which may take place from time to time between Ferrovial or the companies of its Group and the Directors or their related persons are regulated by the following regulations:

- Article 229 section 1 a) of the revised text of the CCA. This obliges directors, as a general rule, to abstain from engaging in transactions with the Company as there is a conflict of interest.
- Articles 529 ter section 1 h) of the CCA and 38.2 s) of the Bylaws. These provisions vest a non-delegable duty and power in the Board, supported by a prior report from the Audit and Control Committee, to approve transactions concluded by the Company or its group companies with Directors or shareholders who individually or in concert with others hold a significant interest, including shareholders represented on the Board(s) of the Company or of other companies in the same group, or their related parties.
- Article 230 section 2, paragraph 2 of the CCA attributes the competence to authorize such operations to the General Meeting in the event that the value of the transaction exceeds 10% of the corporate assets.
- Article 529 ter 1 h) of the CCA states that only operations which simultaneously fulfil all of the following three conditions shall be exempted from this requirement for approval: a) that the transactions are conducted by virtue of contracts whose conditions are standardised and which are applicable en masse to a large number of customers; b) that they are undertaken at prices or tariffs established in general by whoever acts as the supplier of the good or service in question; and c) that the value does not exceed 1% of the annual revenue of the Company.
- The Regulations of the Board of Directors reflect this legal obligation in their article 38. The same article also states that in cases of ordinary transactions with the Company or its subsidiaries, it shall be sufficient for the Board of Directors to approve the line of operations in a generic manner.

#### D.2 List any significant transactions, by virtue of their amount or importance, between the Company or its group companies and the Company's significant shareholders:

Name or company name of the significant shareholder	Name or company name of the company or entity of its group	Nature of the relationship	Type of operation	Amount (thousands of Euros)
No data				N.A.

Note 6.8 to the consolidated annual accounts and note 20 to the individual annual accounts provide information on the transactions that the Company or its group companies have carried out during 2020 with their related parties, all of which are within the ordinary trading or exchange activities of the Company and its group and under normal market conditions.

#### D.3 List any significant transactions, by virtue of their amount or importance, between the Company or its group companies and the Company's managers or executives.

Name or corporate name of the directors or managers	Name or corporate name of the company or entity of its group	Link	Nature of the operation	Amount (thousands of Euros)
No data				N.A.





## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Note 6.8 to the consolidated annual accounts and note 20 to the individual annual accounts provide information on the transactions that the Company or its group companies have carried out during 2020 with their related parties, all of which are within the ordinary trading or exchange activities of the Company and its group and under normal market conditions.

**D.4** Report on the important operations carried out by the company with other entities belonging to the same group, provided that they are not deleted in the drafting process for consolidated financial status and they do not form part of the normal traffic of the company in terms of its purpose and conditions.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens:

Company name of the entity of its group	Brief description of the operation	Amount (thousands of euros)
No data		N.A.

Note 6.8 to the consolidated annual accounts provide information on the transactions between the entities controlled by Ferrovial, S.A which, belonging in any case to the ordinary trading in terms of their purpose and conditions, have not been eliminated in the process of preparing such consolidated annual accounts.

**D.5** List any significant transactions between the company or group entities and other related parties that have not been reported under the preceding headings.

Corporate name of the related party	Brief description of the operation	Amount (thousands of euros)
No data		N.A.

Note 6.8 to the consolidated annual accounts and note 20 to the individual annual accounts provide information on the transactions that the Company or its group companies have carried out during 2020 with their related parties, all of which are within the ordinary trading or exchange activities of the Company and its group and under normal market conditions.

**D.6** List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the Company and/or its group, and its directors, management or significant shareholders.

Directors are required by the Regulations of the Board of Directors to make every effort to avoid conflicts of interest, and are obliged to inform the Board of any conflict that arises, through its Secretary or Chairman.

Under the Law, the duty to avoid conflicts of interest binds a director to refrain from:

- Carrying out transactions with Ferrovial, with the exceptions envisaged in the applicable regulations.
- Using the name of the company or adducing their standing as administrator to obtain undue influence when carrying out private operations.
- Making use of the corporate assets, including the confidential information of the Company, for private ends.
- Leveraging the business opportunities of the Company.
- Obtaining advantages or remuneration from third parties other than the Company and its Group, associated to the performance of their duties, other than minor matters of mere courtesy.
- Carrying out activities on their own, or another's, behalf which entail effective competition, whether currently or potentially, or which, in any other way, places them in permanent conflict with the interests of the Company.

The above provisions will also apply if the beneficiary of the prohibited act is a related party of the Director.

In any case, Directors must abstain from taking part in deliberation and voting on resolutions or decisions in which they or a related party are directly or indirectly involved in a conflict of interest. The foregoing obligation to abstain shall exclude those agreements or decisions which affect them in their standing as Director, such as their designation for or release from remits in the Board of Directors or others of similar significance.

Situations of conflict of interest involving Directors shall be reported in the annual report.





## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Likewise, the Board must approve, subject to a prior report from the Audit and Control Committee, transactions concluded by Ferrovial with Directors or shareholders who, individually or in concert with others, hold a significant interest, including shareholders represented on the Board(s) of the Company or of other companies of its group, or with their related parties. The Directors affected, or who represent, or are related to the affected shareholders, must abstain from participation in the deliberations and voting upon the agreement in question. Such approval will not be required if the transaction meets the following three conditions:

- That the transactions are undertaken by virtue of contracts whose conditions are standardised and which are applicable en masse to a large number of customers;
- That they are undertaken at prices or tariffs established in general by whoever acts as the supplier of the good or service in question;
- Their amount is no more than 1% of the Company's annual revenue.

The authorisation must be agreed by the General Shareholders' Meeting in the events prescribed by Law and, in particular, when it relates to a transaction the value of which exceeds ten per cent of the Company's assets.

The following persons are subject to these rules:

- The Directors of Ferrovial, S.A. Directors must abstain from participating in the deliberation and voting on resolutions or decisions in which they or a related person has a conflict of interest.
- Shareholders who individually or combined with others hold a significant ownership interest.
- Individuals representing Directors that are legal persons.
- Senior managers, as far as compatible with the nature of their relationship with Ferrovial.
- Other persons to whom, in accordance with Art. 3 of the Regulations of the Board of Directors, the Board decides that the Regulations of the Board of Directors shall apply in full or in part, by communicating it to them.
- And the persons related to all persons included in the above categories, under the terms provided in the Regulation itself.

**D.7.** Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to those of any of them.

[ ] Yes  
[ ✓ ] No

### E. RISK CONTROL AND MANAGEMENT SYSTEMS

#### **E.1 Explain the scope of the Company's Risk Control and Management System, including taxation risk.**

The Board is responsible for approving the Risk Control and Management Policy and for oversight of the reporting and control systems; and, the Audit and Control Committee is responsible for analysing and assessing the main risks to the business and the risk detection, management and control systems. The Board of Directors has determined that Ferrovial's risk policy can be concisely expressed by the following principles:

- Business ethics.
- Awareness and proportionality of the risk assumed.
- Segregation of duties.
- Assessment of risk.
- Protection of people's health and integrity.
- Distribution of information.
- Integration and coordination.

Based on these principles, Ferrovial has a risk identification and assessment process called Ferrovial Risk Management (FRM). This is supervised by the Board of Directors, through the Audit and Control Committee, and managed by the Management Committee and the Compliance and Risk Department, and is implemented in all the Group's business areas.

Such function of identifying and assessing risk events, including those of a fiscal nature, is carried out based on their probability of occurrence and their potential impact on strategic business objectives (including the potential impact on corporate reputation). The purpose of this is to take the most appropriate management and insurance measures according to the nature and location of the risk.

A common metric is used for two assessments of identified risk events: (i) an inherent assessment, prior to the implementation of specific control measures to mitigate the risk, regardless of its impact or probability of occurrence; and (ii) a residual assessment, after the control measures have been implemented. This also enables the relative importance of each risk event in the risk matrix to be determined and the effectiveness of the control measures implemented for risk management to be assessed.

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

### **E.2 Identify the bodies responsible for preparing and implementing the Risk Control and Management System, including tax risks.**

The Compliance and Risk Department is the unit responsible for coordinating the application and use of the FRM.

The Company's risk management policy requires all business divisions and investees for which Ferrovial has management competencies to identify and assess the risks, including those of a tax nature, to which they are exposed in the pursuit of their business objectives, to identify sufficiently in advance appropriate mitigating measures that reduce or eliminate the probability of the risk occurring and/or its potential impact on objectives in the event it were to materialise.

### **E.3 Indicate the main risks, including tax risks and to the extent that those derived from corruption are significant (the latter being understood with the scope of Royal Decree Law 18/2017), which may affect the business objectives from being achieved:**

In the pursuit of its business objectives, Ferrovial is exposed to a variety of risk factors inherent to the nature of the activities it carries out and the countries in which it operates. The following risks, according to their residual assessment, may impact the development of Ferrovial's strategy:

1. Effects of the Covid19 pandemic: Restrictive mobility measures put in place by national and international authorities to cope with the severe effects of the pandemic on people's health (border closures, lockdowns, partial mobility limitations, etc.). have had an adverse effect on the global economy, contracting activity and reducing individual income, which has had a negative impact on the margins and flows of the mobility-dependent infrastructure projects managed by Ferrovial (toll roads and airports).

Uncertainty about the evolution and duration of the pandemic, as well as its effects on mobility habits in the medium and long term and on the need to provide safe mobility, create an uncertain risk scenario for the fulfilment of Ferrovial's strategic objectives.

2. Divestment processes: In December 2018 Ferrovial decided to begin the process of selling the assets linked to its Services Division. The process has been delayed in part by the effects of the covid19 pandemic on economic activity, putting at risk the achievement of sales targets and asset values.
3. Political Factors/ Regulatory framework: Some of Ferrovial's assets are subject to specific activity regulations. The increase in protectionist policies in some of the areas in which Ferrovial operates, together with the general situation of economic contraction, could lead to regulatory changes or the non-granting of permits or authorisations, which could have a negative impact on asset management and development plans, and on the tendering of new projects.

In the case of Heathrow Airport, the negotiation of the next regulatory period, together with the uncertainty regarding the airport's expansion, put the achievement of business targets at risk. On the other hand, the start of the negotiation of the next regulatory period represents an opportunity to improve the value of the asset

4. Cyber-threats: The infrastructures that Ferrovial operates are exposed to risks associated with threat agents in cyberspace (Mafias, Government Agencies, Hacktivists, Insiders, etc.). that can compromise the security and normal operation of assets through cyber-attacks of various kinds.
5. Tendering of projects and election of partners: Ferrovial participates in highly competitive bidding processes for large infrastructure projects with long maturity periods until the contract is awarded. Success in these processes requires an adequate study of prices and deadlines, the availability of reliable suppliers, as well as the selection of suitable partners with sufficient technical and economic capacity.
6. In this context, Ferrovial is exposed to the risk of committing errors in the study and choice of suitable partners and suppliers, with a potential impact on the profitability targets established.
7. Quality of Service/ Contractual Disputes: Ferrovial's strategy is focused on technically complex projects in the development of which numerous risk factors may arise, sometimes difficult to foresee, which may generate conflicts and disputes with third parties.
8. Generation and attraction of talent: The concentration of business opportunities in certain geographical areas in which Ferrovial operates increases competition and generates a strong demand for qualified professionals, making it difficult to attract, generate and retain the talent necessary to develop business plans.

### **E.4 Identify if the Company has risk tolerance levels, including tax risk:**

Taking into account the Group's strategic objectives and the strategic lines for their achievement, the Board of Directors approves the amount and type of risk that Ferrovial is willing to permit to attain its strategic objectives, as well as the permitted deviation or tolerance levels.

This is reflected in the Risk Control and Management Policy with which all employees of Ferrovial, S.A. and its group of companies must comply for the management of any type of risk that they may encounter when meeting business objectives. The acceptable levels of risk and the level of risk tolerance are updated when any changes to the corporate strategy and/or the risk profile of activities so require.

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

### **E.5 Identify any risks, including tax risks, that have occurred during the year.**

On 19th October 2020, the Spanish Supreme Court communicated it did not admit the appeal against the High Court of Catalonia's judgement which ratified the changes introduced in the concession regime by the Catalanian Regional Government (the Grantor) in 2015.

The 2015 changes implied moving from a regime with no traffic risk (the Grantor paid the operator the difference between tolls collected and operating surplus established in the Economic and Financial Plan), to one with traffic risk (with the Grantor subsidizing a portion of the tolls). This resolution is final in terms of Spanish courts.

As a result of this resolution, Autema has been classified as an "intangible asset" (vs. a "financial asset" before). This change, in 2020 results, has no impact on cash generation nor cash position, but at P&L level, it implies a positive impact of EUR10mn (pre-tax), EUR6mn (post-tax), as a result of:

- A loss of -EUR168mn: difference between the financial asset's Dec 2019 book value and the intangible asset's estimated value (net present value of estimated future revenues according to the new regulation).

- A profit of EUR179mn: positive value of the 2008 Inflation derivative to fix the inflation of revenues to be received. The new contract regulation implies lower total revenues so part of the above-mentioned derivative will no longer be efficient.

Additionally, operational results of Autema for 2020 have been restated applying the new concession regime (intangible asset model). Revenues and EBITDA for 2020 result in EUR51mn and EUR44mn, respectively, vs EUR74mn and EUR66mn for 2019 (when the financial model still applied).

On the other hand, in December 2020, Amey, the British services subsidiary of Ferrovial, was the victim of a ransomware cyberattack that also affected other large companies in the United Kingdom.

The case required the activation of the containment, response, recovery and lessons learned protocols defined by the Company, which made it possible to isolate the incident at the local level of Amey, without affecting the rest of Ferrovial's businesses and activities.

### **E.6. Explain the response and supervision plans for the entity's main risks, including tax risks, as well as the procedures followed by the company to ensure that the board of directors responds to new challenges that arise:**

#### **1. Risk Management System (FRM)**

FRM (Ferrovial Risk Management) is the comprehensive risk management system implemented in all Ferrovial's lines of activity, as a tool to support and add value for the members of the management team. FRM aims to identify risks that might threaten its business objectives sufficiently in advance, in order for the appropriate corrective measures to be taken.

#### **2. Compliance Programme**

Ferrovial has implemented a Compliance Programme. For the legal framework included whereby for the regulatory frameworks in the model, periodically, i) the regulatory and legislative requirements applicable to the Group's activities are identified; ii) associated compliance risks, including risks of committing criminal acts, are identified and assessed; iii) oversight and control measures implemented are evaluated to prevent or significantly reduce such risks, particularly those focussed on preventing criminal behaviour and; iv) any non-compliance that does occur is identified and assessed to manage it and minimise its potential impact. This is all framed in a process of continuous improvement, update and training, designed to promote Ferrovial's culture and commitment to complying with applicable regulations.

Ferrovial has a Crime Prevention Model integrated into its Compliance Programme whose aim is avoiding or mitigating the risks of committing criminal conduct in accordance with the provisions of the Spanish Criminal Code for crimes that could attract the criminal liability of the company. This Model is certified by AENOR in accordance with UN 19601 "Criminal Compliance Management System" and UNE-ISO 37001 "Anti-bribery Management System".

#### **3. Quality assurance systems**

As part of its risk management process, Ferrovial has implemented quality systems in the contracts managed by its business areas. These systems are mainly certified under the ISO 9001 standard, although they may be certified under local standards, depending on local requirements. In 2020, the percentage of activity receiving quality certification under ISO 9001 was 89%.

All systems are audited internally by qualified teams to ensure compliance with regulations, contractual requirements and objectives.

In addition, Ferrovial has digital platforms to ensure compliance with legislation and technical regulations throughout all stages of the contract life cycle.

#### **4. Environmental management**

Ferrovial has implemented environmental management systems in the contracts managed by its business areas. Most of these systems are certified by external entities accredited according to ISO 14001. In 2020, the percentage of certified activity in the environment under this standard was 89%. In addition, there are certificates in compliance with other standards, including ISAE 3410 "Assurance Engagements on GHG Statements", ISO 50001 Standard for the energy certification system and EMAS.

All of these systems are audited internally by qualified teams to ensure compliance with regulations, contractual requirements and the established targets.

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

In each production centre, these systems adapt to the reality of the site through an environmental management plan that includes systematic planning and control of processes that involve a risk to the environment, applicable legal requirements and the establishment of quantified objectives for improvement of environmental performance.

In this regard, Ferrovial has a digital platform to ensure compliance with environmental legislation throughout the company. the phases of the life cycle of contracts.

Ferrovial also has an environmental risk control and environmental risk monitoring system which has been implemented and approved for the business activities with the greatest environmental risk in the Construction and Services areas. This acts as an early warning system for any possible breaches of the sustainability policy, current corporate standards and applicable legislation.

On the other hand; within the framework of energy audits, in order to comply with RD56/2016 and continue the work carried out in 2016, during 2020 an energy audit was carried out of all the company's assets with activity in Spain.

### 5. Reliability of financial reporting

Section F of this report details Ferrovial's Internal Control over Financial Reporting System (ICFR).

### 6. Financial risk control mechanisms

In general, this risk is managed centrally by the Finance Department by means of a proactive global risk management policy and hedging mechanisms when appropriate.

Section 5, paragraph 4, of the consolidated financial statements explains the financial and capital risk management policy in detail.

Continued in Section H.

## F INTERNAL SYSTEMS FOR CONTROLLING AND MANAGING RISKS ASSOCIATED WITH THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms that comprise the internal control over financial reporting (ICFR) risk control and management system at the Company.

### F.1 Entity's control environment

Specify at least the following components with a description of their main characteristics:

#### F.1.1. The bodies and/or duties are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.

The design, implementation and maintenance of the Internal Control over Financial Reporting System (hereinafter, ICFR) are functions attributed to the members of the Management Committee, as established in the "General framework for the operation of the Internal Control over Financial Reporting System", available to all employees on the Company's Intranet. Therefore, this responsibility is not only framed within the economic-financial function, but involves the entire organisation, including other support areas, such as Human Resources, Legal Counsel or Information Systems, as well as the business areas.

The economic-financial function is responsible for coordinating these tasks, and at a global level, through the General Finance Department (hereinafter GFD), in monitoring all stages of the process and periodically reporting to the Audit and Control Committee (hereinafter ACC) on the progress made.

In accordance with Article 38 of the Company's Bylaws, the Board of Directors is responsible for supervising the internal information and control systems, which includes the ICFR.

In addition, in accordance with section b) of article 51.3 of these Bylaws, the supervision of the effective functioning of the Company's internal control, which includes the ICFR, is one of the functions attributed to the ACC, for which it relies on the Internal Audit function.

The Board of Directors is also informed by the GFD once a year concerning the operations of the ICFR. This complies with Article 38.2 m) of the Company's Bylaws, which grants the Board of Directors the power to supervise the internal information and control systems.

#### F.1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process:



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

- **Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clearly defining lines of responsibility and authority, with an appropriate distribution of tasks and duties; and (iii) deploying sufficient procedures so this structure is communicated effectively throughout the entity.**

In accordance with the provisions of the Company's Bylaws, the Nomination and Remuneration Committee is responsible, among other duties, for examining and organising the process that allows for the orderly succession of the Chairman and the CEO, whose appointment is the responsibility of the Board, and for reporting on the appointment or removal of the executives who report immediately to the CEO, who is also the responsibility of the Board of Directors.

The CEO, with the involvement of the Human Resources Managing Director in their advisory role to the CEO, is responsible for designing and reviewing the organisational structure for the first line of reporting in the organisation (executives who report to him/her).

In turn, the latter are responsible for setting changes in the organisational structure under their immediate control, in accordance with the operating model defined by the Company and with the Organisation's policies and procedures in force. The Compensation and Benefits Department and the Organisation Department, belonging to the Human Resources Department, periodically evaluate the organisational design and reporting lines, as well as the classification and description of the Group's job positions, in order to maintain an adequate segregation of functions, avoid duplication and improve the coordination of the different departments, which results in greater efficiency in the Company's operations. In relation to this, within the framework of Strategic Plan HORIZON 24, in 2020 Ferrovial reviewed its operational model and carried out a reorganization of the financial function with the aim of simplifying, homogenizing and making processes more efficient.

A detailed organisation chart is available to all employees on the Company's intranet.

- **Code of conduct, approving body, degree of dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), the body in charge of investigating breaches and proposing corrective or disciplinary action.**

### Corporate Code of Ethics

Ferrovial's Code of Business Ethics, which is applicable to all companies in the Group, establishes the basic principles and commitments to which its directors, managers and employees must adhere.

These principles are embodied in a series of commitments to stakeholders in Ferrovial's professional activities and are reflected in policies and procedures aimed at promoting professional performance in accordance with ethics, integrity and compliance with applicable legislation.

The Code of Business Ethics states that "Ferrovial assumes as a guiding principle of its business behaviour towards its shareholders, investors, analysts and the market in general, to transmit true and complete information that expresses the true and fair view of the company and the group, its business activities and its business strategies. This communication shall always comply with the standards and deadlines established in applicable legislation".

"The corporate action and strategic decisions of Ferrovial shall focus on creating value for its shareholders, transparency in its management, adoption of corporate governance best practices in its companies and strict compliance with applicable regulations at any given time".

The Code also states that "Ferrovial's subsidiaries must have accounting practices in place that help ensure the accuracy of its books and records.

All employees adhere to the principles and requirements contained in the Code of Ethics and undertake to comply with it.

The Code of Business Ethics is accessible to all Ferrovial employees on the intranet and to any third party on the corporate website [www.ferrovial.com](http://www.ferrovial.com). In addition, all new employees are physically handed this during the welcome process, and the Company promotes a mandatory online course on the Code of Business Ethics, which explains the basic principles and commitments of the Code.

Failure to comply with the Code may constitute a labour violation and be subject to appropriate sanctions, regardless of other responsibilities that the employee may have incurred.

In addition, Ferrovial has a Third Party Ethical Integrity Due Diligence Policy and another specific procedure for suppliers, which involve the extension of Ferrovial's values set out in its Code of Business Ethics to these groups, in order to ensure that the business is conducted in accordance with applicable national and international laws in force.

### Compliance Programme

Ferrovial has a Compliance Programme, the main objective of which is to establish a common process to monitor and control the Company's compliance risks under the principle of "zero tolerance" towards the commission of criminal acts. This Compliance Programme makes effective the commitment to strict compliance with applicable laws and the application of the highest ethical standards in the development of the company's activities. The management and analysis of the operation of the Programme is the responsibility of the Compliance and Risk Department, which reports directly to the Audit and Control Committee.

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The Compliance Model is described in the Compliance Policy and its main purpose is to promote a culture of business ethics in the organisation and in the decision-making and training processes of directors, managers and employees and to establish a common and homogeneous framework for monitoring, controlling and managing compliance risks (especially those aimed at preventing criminal behaviour).

In addition, the Policy develops the stages of the Compliance Programme implemented in the company, and establishes the competencies of the company's governing and management bodies, as well as those of its employees in the area of regulatory compliance.

The Compliance Model includes a Crime Prevention Model aimed at preventing or significantly reducing the risks of committing criminal acts, especially those involving the criminal liability of the legal person within the scope of the latest reform of the Spanish Criminal Code - in this area.

The Crime Prevention Model establishes the different stages and the competencies of the governing and management bodies responsible for the implementation, review, management, supervision and periodic evaluation of the operation of the model and highlights the obligation of all employees, managers and directors of Ferrovial to report any alleged irregular, fraudulent or criminal acts through the communication channels provided for this purpose. For this, Ferrovial offers you and any other party with a legitimate interest, an Ethical Channel to report complaints with the maximum guarantees of confidentiality and no reprisals. Likewise, in certain companies or areas of activity specific communication channels have been enabled that, due to their importance demand it.

Non-compliance with the law, policies, procedures or internal rules that make up the Crime Prevention Model will be sanctioned in accordance with the provisions of internal procedures, applicable legislation or the disciplinary regime provided for in the corresponding Collective Agreement.

### Anti-corruption policy

Ferrovial has an Anti-Corruption Policy that governs the behaviour of all directors, managers and employees, and their partners, in the development of the business, under the principle of "zero tolerance" for any practice that may be classed as corruption, both active and passive.

The policy states that all Ferrovial employees must be aware of and strictly comply with anti-corruption laws worldwide, including the Spanish Criminal Code (and those of the other jurisdictions in which Ferrovial operates), the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act.

With regard to the ICFR, this policy expressly includes Ferrovial's obligation to have implemented: "(...) accounting practices that help to guarantee the accuracy of its books and records. The maintenance of hidden or incorrectly recognised assets and liabilities is prohibited. All payments, expenses and transactions must be properly accounted for in accordance with applicable accounting regulations, free from any hidden expenses that conceal the true nature of any agreement. The relevant authorisation must be obtained as stipulated in payment, expenses and transaction procedures.

### **CERTIFICATION UNE 19601 "Management system for criminal compliance" and UNE-ISO 37001 "Anti-bribery management systems".**

In March 2019, Ferrovial, S.A. obtained from AENOR (Spanish Association for Standardisation and Certification) the certification of its Crime Prevention Model in accordance with the reference standards UNE 19601 "Management system for criminal compliance" and UNE-ISO 37001 "Anti-bribery management systems".

Together with Ferrovial, S.A. and as part of its Crime Prevention Programme, the companies in its group Ferrovial Construcción, S.A., Ferrovial Aeropuertos España, S.A. and Cintra Infraestructuras España, S.L. have also obtained certification in accordance with the aforementioned reference standards.

- **Whistle-blowing channel, for reporting any irregularities of a financial or accounting nature and breaches of the code of conduct or malpractice within the organisation to the Audit Committee, stating where applicable if it is confidential or not.**

Article 21.IV o) of the Regulations of the Board of Directors provides that one of the powers of the ACC is to "Establish and supervise a mechanism that allows employees and other persons related to the Company, such as Directors, shareholders, suppliers, contractors or subcontractors to report potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularity, related to Ferrovial that are detected within the Company or the Group. This mechanism should guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the accused".

The Company has a whistle-blowing channel, called the "Ethical Channel", which allows for confidential queries and complaints or reports to be made, even completely anonymously. Ferrovial will not tolerate any retaliation against users of the Ethical Channel.

The operation of the Channel is governed by a corporate policy approved by the CEO. The Ethical Channel is accessible by any employee and any interested party, by telephone or via the Intranet, the websites (both Spanish and English versions) and a post office box. Likewise, specific communication channels have been set up in certain companies or areas of activity that require it, due to their importance or circumstances.

The supervision of these channels corresponds to the ACC and is entrusted to the Compliance and Risk Department with the assistance of the Internal Audit Department.

In 2020, 50 communications were received in the





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Ethical Channel. No evidence of falsification of financial statements or fraud with a significant effect on the financial statements was found during investigation of these reports.

- **Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.**

Ferrovial has the Summa Corporate University (hereinafter, the University), with the mission of conveying the values of Ferrovial and fostering the development of differential talent in the organisation.

The employees involved in preparing and revising the financial information, as well as the assessment of the ICFR, receive training on how to carry out their duties properly.

In 2020, 1,992 hours of training were given in finance, focusing on international accounting regulations, consolidation of financial statements and taxation, with the participation of 411 attendees.

### F.2 Financial reporting risk assessment

Report, at least, of:

#### F.2.1. Which are the main characteristics of the risk identification process, including those of error or fraud.

- **Whether the process exists and is documented**

Identifying risks of error in financial reporting is one of the most important phases within the overall process of Ferrovial's ICFR, the objective of which is to ensure (with reasonable security) the reliability of the financial information disclosed to the market, and to support the duties of the people involved in preparing that information and, accordingly, the ultimate responsibility of the Board of Directors, as indicated in section F.1.1.

The overall process or Ferrovial's "ICFR Annual Wheel" has the following stages:

1. Definition of the scope
2. Updating processes and controls
3. Self-assessment of the effective design and operational effectiveness of the controls
4. Risk assessment
5. Update on the results of the Self-Assessment (Rolling Forward)
6. Annual certification of the financial information

All these stages are supported by an IT tool that comprehensively manages the process and allows the assignment of responsibilities in the execution and documentation of controls to be extended. Nearly 900 employees have used this software application, in which evidence has been documented showing the execution of approximately 1900 controls (reduction compared to 2019, as a result of the departure of BRS from the Group; 220 controls have been assessed again in the "Rolling Forward" process carried out due to the aforementioned organizational changes in the finance function.

The methodology is based on the analysis of the financial information in the various companies controlled by Ferrovial, selecting the material financial statement lines according to quantitative and qualitative criteria (mainly financial statement lines that involve judgements, estimations and complex calculations, and which are at risk of fraud). In this stage, risks of error in the financial information are identified, in relation to the existence, completeness, accuracy, valuation, presentation and disclosures, rights and obligations associated with the financial statement lines within the scope. The headings are grouped into processes that are analysed and for which a narrative is drawn up, describing the information generation process and the main associated controls.

This documentation is available through the tool, which also includes the description of the controls. Regarding acquisitions in the scope of consolidation, a work plan is designed to implement and develop the Group's ICFR process into the new companies.

The risk assessment is carried out once a year, starting from the operation of the controls implemented for their mitigation. The risk assessors (mostly Financial Directors) assess the risks that are identified until their presentation to the ACC.

As an initial step before the certification process, the results of the self-assessment of the controls are revalidated (Rolling Forward) which is launched in January along with the self-assessment of the annual frequency controls.

Additionally, approximately 60 people (CEOs and Chief Financial Officers) participate in the cascade certification process for correcting the financial information for which they are responsible, for the purposes of preparing the consolidated annual accounts.



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The annual review of the entire process is coordinated by the Planning and Control Department, within the General Finance Department, which is also responsible for administrating the IT application and for coordinating the operating of the ICFR in the various businesses and corporate areas of the Group.

- **Whether the process covers all financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.**

Ferrovial has a shared risk inventory on financial reporting known as the "ICFR Risk Universe".

ICFR risks are defined by Ferrovial as the failure to comply with the control over financial reporting objective for each accounting financial statement line and material disclosure in Ferrovial's consolidated financial statements. Therefore, the annual risk assessment process covers all the objectives of the financial information: existence and occurrence; integrity; valuation; presentation; breakdown and comparability; and rights and obligations.

- **A specific process is in place to define the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.**

Group has a master document of Companies in SAP which includes all the companies included in the perimeter of consolidation. This master document is managed through the "Company Database Management" procedure, which is available on the corporate intranet, to ensure information consistency across all of the Group's financial systems.

The Group also has a standard establishing the procedure for approving transactions. This covers, inter alia, the acquisition/sale of companies, defining levels of authorisation according to their amount, and also sets out specific controls for review of the consolidation criteria applicable in each case.

In addition, according to the Bylaws, the Board of Directors is responsible, according to Article 38 sections p) and r), for "the definition of the structure of the group of companies of which the Company is the parent company" and "the approval of the creation or acquisition of shareholdings in special-purpose entities or entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could undermine the transparency of the company and its group".

- **Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) as far as the financial statements are concerned.**

The process of identifying risks of error in the financial information takes into account the effects of other types of risks, mainly operational, technological, legal, tax and labour, insofar as they affect the financial statements. These risks are evaluated and managed by the businesses and the different corporate functions, such as the Information Systems Department, Tax Advice, Legal Advice or the Human Resources Department, among others (see section E, Control Systems and Risk Management).

- **Which of the Company's governing bodies is responsible for overseeing the process**

Additionally, approximately 60 people (CEOs and Chief Financial Officers) participate in the cascade certification process for correcting the financial information for which they are responsible, for the purposes of preparing the consolidated annual accounts.

The Risk Assessment of ICFR is carried out annually. The General Finance Department is responsible for coordinating this work, the results of which are presented to the Audit and Control Committee for monitoring. As indicated in section F.1.1., the Board of Directors is informed annually about the supervision of the ICFR.

### F.3 Control activities

Indicate the existence of at least the following components, describing their main characteristics:

#### F.3.1. Procedures for reviewing and authorising financial information and the description of ICFR to be disclosed to the markets, stating who is responsible in each case and





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**documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.**

The information reported for the preparation of the group's consolidated financial statements is certified by different levels of the organisation in a cascading, bottom-up process. Thus, the CEOs and Chief Financial Officers of the businesses and main subsidiaries certify the financial information of their areas of responsibility. This certification includes an express mention of their responsibility for maintaining a system of internal control that enables the financial information to be free from material error or fraud. In addition, a statement is included regarding the self-assessment exercise of the effectiveness of the controls and that the results obtained do not give rise to any significant deficiency or material error in the financial information.

The financial statements are then certified by the Chief Financial Officer, CEO and Chairman. Subsequently, they are submitted to the Board for their formulation in accordance with article 38.2 of the Company Bylaws.

In addition, prior to publication and approval by the Board, the Finance Department submits to the ACC both the annual financial statements and the half-yearly financial information and, on a quarterly basis, the financial information presented to the markets, highlighting the main judgements and estimates made in the most complex areas or those with the most significant accounting impact.

The GFD also submits a specific report on the ICFR and its results to the ACC twice a year. The ACC is also informed annually of the Internal Audit Management's review of the functioning of the ICFR.

The ICFR documentation includes high-level descriptions of the business processes with an impact on the relevant financial information selected, as well as detailed descriptions of the risks of error and the controls designed for their mitigation. The description of the controls includes the proof to be obtained in their execution that is required for their review.

In addition to the specific controls of the business processes, each of the business closing accounting processes is considered as a cycle. The same applies to all the accounting closing activities carried out at corporate level, such as the full consolidation process, the breakdown of the notes to the financial statements and the preparation of the cash flow statement. Within this process, the General Finance Department issues instructions and sets a calendar for the different closing milestones.

The Company has entity level controls documented in keeping with the principles of the COSO III framework and the Information Technology General Controls, according to international frameworks and which, in addition, are aligned with the Information Security Corporate Model.

The tool also includes documentation on the process of self-assessment of how the controls are run, in which evidence must be provided (one sample per control) that the control has been performed, in such a way that it can be reviewed and audited. As part of this process potential incidents have been reported and actions for improvement are being planned, monitoring for which will be managed using this tool.

All of the above actions are documented in a corporate procedure available on the company's intranet accessible to all Group employees.

In addition, given that accounting rules require the use of judgements and estimations based on long-term projections for recording certain transactions, the Company has a process for forming medium and long-term projections that specifies how to create and update the finance models and which controls have to be introduced to ensure the coherence of the different types of financial information.

### **F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.**

Ferrovial's Information and Innovation Systems General Department (hereinafter, the DGSII) has the strategic mission of facilitating attainment of Ferrovial's objectives through the use of information technologies oriented towards achieving greater effectiveness and efficiency, thus creating value and leading innovation.

Management and control of the services provided by the DGSII are structured into the following processes:

1. A Service Strategy that ensures the correct alignment of the DGSII with the business and the financial control of services.
2. Service Provision, which ensures control over the development, capacity, availability, continuity and security of services.
3. Service Support, which ensures control over changes, configurations, incidents and problems related to the provision of services.
4. Management of Continuous Improvement through the setting up of appropriate control mechanisms for service levels and the deployment of scorecards.

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Ferrovial also has a General Corporate IT Security Framework with the mission of safeguarding the completeness, confidentiality and availability of its information.

Ferrovial also has an Information Security Department within the DGSII, responsible for leading the governance, strategy and management of information security and cyber-security through the definition, implementation, operation and monitoring of security and control models, architectures and systems that protect the value of information and guarantee its integrity, availability and confidentiality.

Information security management is aligned with international reference frameworks, mainly with the current version of the ISO/IEC 27001 standard, as well as with the NIST, CSF, NIST SP 800-53, National Security Scheme (ENS), CSA and COBIT frameworks. As part of a process of continuous improvement in risk management, it contemplates and regulates, among other aspects, access control and segregation of duties, in order to ensure that the processing of financial information supported by the information systems is carried out in an authorised, supervised and proportional manner to the needs of each user for the correct performance of their duties.

The Information Security Management System (ISMS) has been certified under the ISO/IEC 27001 standard since March 2012. It is renewed annually through the corresponding certification audits conducted by the British Standard Institution. While the scope of the certification includes the corporate environment of Ferrovial, the practices, processes and security controls of the system have served as the basis for rolling out the control model throughout the Group.

On a yearly basis the Information Systems Directors of the main subsidiaries and business units, as well as the Head of Group Systems Security, carry out an assessment of the effectiveness of the internal controls implemented for the main information systems that support the processes for preparing financial reporting in their areas of responsibility (local environments and corporate environments).

This assessment helps to provide an overview of the main risks associated with the use of information and communication technologies, while facilitating the definition and implementation of action plans that make it possible to manage these identified risks. Monitoring of the implementation of the action plans is included in the Group's review activities and is part of its continuous improvement.

### **F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.**

When the Company outsources certain activities, it verifies the technical competence and skills of the subcontractor. The Group has implemented control activities to check the soundness of the conclusions of independent experts.

The following have been identified as the most significant outsourced activities with an impact on the financial statements:

#### Outsourcing of hardware and software management of IT systems.

The DGSII has specific procedures for controlling outsourced services through contractual regulation of the following:

- VRM (Vendor Risk Management) programme to determine the level of risk associated with the supplier for the products and services to be provided to Ferrovial.
- Demand of safety requirements according to the level of risk associated to the supplier with the corresponding product and service, as well as the manner and frequency in which compliance with the contractual agreements and established requirements will be reviewed.
- Alignment requirement / certification of the product or service provision with respect to international reference frameworks (among others ISO/IEC 20000, ISO/IEC 22301 and ISO/IEC 27001, CSA, SSAE18, LEET Security and Cybersecurity Rating, etc.).
- Establishment of governance and monitoring mechanisms for the service, from the functional and information security perspectives.
- Monitoring and management of service levels, from the functional and information security perspectives. Security audit and review according to the established frequencies and forms.

#### Actuarial studies of pensions

Information on pensions reported in the consolidated financial statements is based on actuarial calculations by firms of recognised prestige. This information is verified by the Company, which has controls to ensure its soundness.

On the other hand, it should be noted that the Internal Audit Department, in accordance with its risk-based planning, periodically audits the outsourcing contracts to ensure that the contractually agreed conditions are complied with.

## **F.4 Information and communication**

Indicate the existence of at least the following components, describing their main characteristics:

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### **F.4.1. A specific function in charge of defining and updating accounting policies (accounting policies area or department) and of settling doubts or disputes over their interpretation, maintaining smooth communication with the team in charge of operations, and a manual of accounting policies updated and communicated to all the Company's operating units.**

The Accounting Policies and Internal Control Department, which is part of the Planning and Control Department (PCD) within the General Finance Department, is responsible for defining and updating the accounting rules manual (Ferrovial GAAP) - which is available on the Company's Intranet - and for resolving queries or disputes related to its interpretation. This is a centralised corporate function for the entire geographic scope of the Group.

Ferrovial GAAP incorporates all the IFRS changes adopted by the European Union and the standards defined by Ferrovial in cases in which the IFRSs offer different alternatives or a mandatory standard does not apply. It is worth highlighting the update in 2020 of Ferrovial GAAP and the internal policies on provisions for legal, tax and labour litigation risks.

Prior to the publication of a new IFRS, the regulatory activity of the IASB is proactively monitored to identify those projects which might have a significant impact on the Group's financial statements, through participation in working groups created to collaborate on the definition of the aforementioned standards.

This department also prepares technical notes when important decisions need to be taken in relation to accounting standards to document that there is sufficient evidence for the decisions.

It is also the PCD's responsibility to update internal procedures to adapt them to the regulatory changes with an impact on financial information.

### **F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.**

The General Finance Department continuously ensures that there are transactional systems and formats that gather information in a standard format for the whole Group.

At the transactional system level, Ferrovial has a harmonised system, internally called "corporate" SAP, which includes most Group companies. The companies outside this "corporate" SAP are mainly entities belonging to the Amey and Budimex groups in which they have their own transactional systems, all of them developed under the SAP platform.

The mechanism for capturing and preparing the information that supports Ferrovial's consolidated financial statements is mainly based on a consolidation tool known as SAP BPC. The companies and subgroups not included in the corporate SAP application load their financial information into this application.

A large portion of the information supporting the breakdowns and notes to the financial statements is included in the consolidation tool, with the remainder being captured using standard-format spreadsheets, called Reporting Packages, which are prepared for hard close and year-end reporting.

With regard to ICFR, as mentioned in section F.2.1, the whole process is supported by an IT tool accessible to all those involved in preparing the financial reporting.

## **F.5 Monitoring of system operation**

Indicate the existence of at least the following components, describing their main characteristics:

### **F.5.1. The ICFR monitoring activities undertaken by the committee and an internal audit function whose competencies include supporting the committee in its role of monitoring the internal control system, including ICFR. Also describe the scope of the ICFR assessment conducted in the year and the procedure whereby the person responsible for performing the assessment communicates its findings. State also whether the Company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial reporting.**

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Ferrovial has an Internal Audit Department that reports directly to the Audit and Control Committee, which ensures that those making management decisions have full independence and objectivity. Among the functions attributed to the ACC by the Regulations of the Board of Directors in relation to the Internal Audit Department are those of proposing the appointment and removal of its manager, proposing the budget for the internal audit services and ensuring that it has the human, technical and material resources and sufficient training to perform its functions. Members of the team carry out their audit work exclusively.

The scope of the Internal Audit Department's work includes all companies in the Ferrovial Group. Therefore, it is a Ferrovial-run centralised corporate function that performs work in any national or international company, process, area or application.

The annual programme of work is drawn up using risk parameters from a matrix of priorities (intrinsic risk, controls, sector, activity, country, age, last visit, etc.) which when applied to the overall "Auditable Universe" determine the priority work for the following year. This planning proposal is compared with the main risks detected by the Company on the Risk Map, the results of the reviews of other assurance and external audit functions, international best practice standards, as well as with the material aspects identified in the Annual Report, to ensure that they are covered in the scopes of the different tasks. Then it is discussed with all members of the Management Committee and Senior Management to incorporate their suggestions, and is submitted to the ACC for approval prior to the start of the financial year. Subsequently, during the year, in addition to the degree of progress of the planning, possible deviations are reported periodically, explaining the origin of these. The guiding principle is that all work considered a priority must be audited during the current year with other work being positioned for the following years. Hence, a review of the entire "Auditable Universe" will have been completed once a certain number of years have elapsed, which Ferrovial believes is sound and representative of the level of risk.

The scope of the work carried out by the Internal Audit Department is complete, as well as reviewing the financial statements (both in its accounting and current side: balance sheet and income statement, as well as financial and prospective: business plans, budgets or financial models), it also audits non-financial information, analyses the effectiveness and efficiency of processes, internal controls, the design and compliance with applicable internal and external regulations, the integrity and functional sufficiency of information systems and the suitability of organisational responsibilities.

If the Internal Audit Department deems it appropriate, it may engage external experts with specific technical expertise in the matter audited or to reinforce audit capacity at a specific time.

This philosophy is applicable uniformly to all the work of the Internal Audit Department. In the specific area of ICFR, and as mentioned above, as part of the work carried out in any of the units audited, the process of identifying and assessing risks of error in financial information, practices on the control environment and controls over information systems, the effectiveness of the design as well as the effective operation of the system and the possible impact on financial information are analysed. Specifically in 19 audits during 2020. In addition, among the work specifically related to the ICFR carried out in 2020, the specific audits of two business areas, one process and two IT areas stand out, as well as the continuous updating of the status of implementation of the recommendations issued in previous reports. For 2021, the planning approved by the ACC includes two ICFR audits, which may be cross-cutting processes or business or IT areas, the verification in the rest of the audits of the specific risks and controls identified, as well as the monitoring of the implementation of the recommendations issued in the work corresponding to previous years.

### **F.5.2. A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the Company's senior management and its Audit Committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.**

The Regulations of the Board of Directors state that the functions of the Audit and Control Committee include discussing with auditors any significant weakness in the internal control system encountered in the audit.

The external auditor submits any internal control weaknesses found in the course of its audit work to the Audit and Control Committee, on a yearly basis. These weaknesses are incorporated into the ICFR action plan, while the General Finance Department is responsible for designing an action plan to correct such shortcomings and for reporting progress to the Audit and Control Committee.

Likewise, in the Recommendations section of each Audit Report, when the Internal Audit Department identifies any weakness, it issues the corresponding recommendations for improvement. Those directly responsible for the audited units undertake to implement them on dates jointly agreed with the aforementioned Management, which carries out a continuous evaluation of their effective implementation based on the evidence provided by each person in charge, with periodic reports. This information, in turn, is reported to senior management and the ACC for their knowledge and adoption of the appropriate measures. In some cases, implementation of the recommendations of the Internal Audit Department is made part of the personal objectives of the manager responsible, thus affecting attainment of variable remuneration.

## **F.6 Other Relevant Information**

### **F.7 Report of the external auditor**

Report of:



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### F.7.1. The ICFR information supplied to the market has been reviewed by an external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

Ferrovial requested that the external auditor issue a review report on the information described by the Company in this document, which is attached as an Appendix. The review was based on the "Action Guide and Model Auditors' Report relating to information on the Internal Control over Financial Reporting System of listed companies" published by the CNMV in July 2013.

## G - EXTENT OF MONITORING OF THE RECOMMENDATIONS OF THE CORPORATE GOVERNANCE

Indicate the degree of the Company's compliance with the recommendations of the Good Governance Code of Listed Companies.

Should the company not or only partially be in compliance with any of the recommendations, include a detailed explanation of the reasons, in order for sufficient information to be available to shareholders, investors and the markets in general for them to be able to evaluate the company's behaviour. General explanations are not acceptable.

1. The bylaws of listed companies do not limit the maximum number of votes that may be cast by a single shareholder, nor contain other restrictions that make it difficult to take control of the company through the acquisition of its shares on the market.

Compliant ☒ Explain ☐

2. When the listed company is controlled, within the meaning of Article 42 of the Code of Commerce, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should report publicly and accurately on:

- a) The respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.
- b) The mechanisms in place to resolve possible conflicts of interest.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

3. During the General Shareholders' Meeting, the Chairman of the Board should verbally inform shareholders in sufficient detail of the most relevant aspects of the Company's corporate governance, supplementing the written information circulated in the Annual Corporate Governance Report. In particular:

- a) Changes that took place since the previous General Shareholders' Meeting.
- b) The specific reasons why the company has not followed a particular Good Corporate Governance recommendation and, where applicable, any alternative rules it applies in this connection.

Compliant ☐ Partially compliant ☒ Explain ☐

Section a) is complied with. At the General Shareholders' Meeting held on 17 April 2020, the Chairman reported on the main changes in corporate governance since the previous Shareholders' Meeting.

With regard to section b), the Company believes that a detailed explanation could unnecessarily lengthen the Shareholders' Meetings, as it deals with information already supplied in the Annual Corporate Governance Report, published on the website and available to shareholders.



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4. The company defines and promotes a policy regarding communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors that fully respects the rules against market abuse and treats shareholders in the same position on an equal footing. This policy should be disclosed on the Company's website, including details of how it has been put into practice and the identities of the relevant intermediaries or those charged with its implementation.

And that, without prejudice to the legal obligations to disseminate privileged information and other types of regulated information, the company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social networks or other channels) that contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders.

Compliant [ X ] Partially compliant [ ] Explain [ ]

5. The Board of Directors should not make a proposal to the General Shareholders' Meeting for the delegation of powers to issue shares or convertible securities without preferential subscription rights, for an amount exceeding 20% of capital at the time of such delegation.

When the Board of Directors approves the issuance of shares or convertible securities without preferential subscription rights, the Company should immediately post a report on its website explaining the exclusion as envisaged in corporate legislation.

Compliant [ X ] Partially compliant [ ] Explain [ ]

6. The listed companies that prepare the reports referred to below, either in the mandatory or voluntary form must be published on their website sufficiently in advance of the Ordinary General Shareholders' Meeting, even if their dissemination is not mandatory:

- a) Report on the independence of the auditor.
- b) Reports on the functioning of the Audit Committee and the Nomination and Remuneration Committee.
- c) Audit Committee report on related-party transactions.

Compliant [ X ] Partially compliant [ ] Explain [ ]

7. The company broadcasts live, through its website, the holding of the General Shareholders' Meetings.

The company should also have mechanisms in place to enable proxies and voting by electronic means and, in the case of companies that have a large capital and to the extent that it is proportionate, to allow attendance and active participation at the General Shareholders' Meeting.

Compliant [ ] Partially compliant [ X ] Explain [ ]

The first paragraph of the recommendation is complied with.

With regard to the second, the Company's internal regulations foresees the Board of Directors to assess the possibility of organising attendance at the General Shareholders' Meeting by telematic means. It also states that shareholders with voting rights may exercise them by post, e-mail or any other means of remote communication that the governing body may determine when calling each Meeting.

In application of these rules, the Company has been providing the necessary mechanisms in the notice of the Shareholders' Meetings both for attendance (since 2007) and for the delegation and exercise of votes (since 2005) by telematic means. Shareholders attending telematically may also ask questions or request clarifications at the time of registration on the computer platform, vote on matters not included on the agenda and submit proposals for resolutions in the cases provided for by law.





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8. The audit committee should ensure that the annual accounts submitted by the board of directors to the general shareholders' meeting are drawn up in accordance with accounting regulations. In cases where the auditor has included a qualification in their audit report, the chairman of the audit committee should clearly explain the opinion of the audit committee on its content and scope at the general meeting, and a summary of this opinion should be made available to shareholders at the time of publication of the notice of the meeting, together with the other proposals and reports from the board.

Compliant ☒ Partially compliant ☐ Explain ☐

9. That the company should publish on its website, and permanently display, the requirements and procedures it will accept to accredit the ownership of shares, the right to attend the general shareholders' meeting and the exercise or delegation of the right to vote.

Such conditions and procedures should encourage shareholders to attend and to exercise their rights in a non-discriminatory manner.

Compliant ☒ Partially compliant ☐ Explain ☐

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the General Shareholders' Meeting, the Company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model attendance card, proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.
- c) Submit all these points and alternative proposals to a vote and apply the same voting rules to them as to those put forward by the Board of Directors, including, specifically, assumptions and deductions on the direction of the vote.
- d) After a General Shareholders' Meeting, the company should announce the breakdown of the vote on the additional points or alternative proposals.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

11. In the event that a company plans to pay for attendance at the General Shareholders' Meeting, it should first establish a general, long-term policy in this respect.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, customers and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Compliant ☒ Partially compliant ☐ Explain ☐



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13. The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Compliant ☒ [ X ]

Explain ☐ [ ]

14. That the Board of Directors approves a policy aimed at encouraging an appropriate composition of the Board of Directors and that:

- a) Is specific and verifiable;
- b) ensures that proposals for appointment or re-election are based on a prior analysis of the skills required by the board of directors; and
- c) encourages diversity of knowledge, experience, age and gender. To this end, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The result of the prior analysis of the powers required by the board of directors should be included in the justifying report of the nominations committee published when the general shareholders' meeting is called to ratify, appoint or re-elect each director.

Compliance with this policy will be verified annually by the Nominations Committee and reported in the annual corporate governance report.

Compliant ☒ [ X ]

Partially compliant ☐ [ ]

Explain ☐ [ ]

15. Proprietary and Independent Directors should constitute an ample majority on the Board of Directors, while the number of Executive Directors should be the minimum required, bearing in mind the complexity of the corporate group and the shareholdings they control.

The number of female directors should reach at least 40% of the members on the board of directors before the end of 2022 and from this moment should not be less than 30%.

Compliant ☐ [ ]

Partially compliant ☒ [ X ]

Explain ☐ [ ]

The first paragraph of the recommendation is complied with.

With regard to the second, the Board currently has two female Directors out of a total of twelve members (representing 16.6%). As explained in the answers to sections C.1.5 and C.1.6, the Nomination and Remuneration Committee agreed on a series of measures to be observed in the candidate selection processes in order to increase the number of female Directors. In addition, the Board has agreed at its meeting held on 17 December 2020 to amend the Board Composition Policy by setting a target of 30% of female Directors by the end of the financial year 2022. This objective has been established taking into account the opinions of stakeholders and the situation in other markets, as well as the current number of female Directors.

16. That the percentage of proprietary directors over the total non-executive directors should not exceed the proportion between the share capital represented by such proprietary directors and the rest of the share capital.

This proportional criterion may be relaxed:

- a) In large-cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
- b) In companies with a plurality of shareholders represented on the Board but not otherwise related.

Compliant ☐ [ ]

Explain ☒ [ X ]





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Ms. María and Mr. Joaquín del Pino are Proprietary Directors: two out of ten external companies in total, which represents 20%; the stake of both in the capital amounts to approximately 10.7%.

However, if we include Mr. Rafael del Pino (Executive) as proprietary, the recommendation is fulfilled: there would be three proprietary of ten external, which is 30%; the stake in the capital of the three amounts to approximately 31%.

These Proprietary Directors are members of the former controlling family group of Ferrovial. After the termination of the shareholders' agreement (communicated by means of a significant event dated 7 August 2015 registry number 227,432-), Mr. Rafael and Ms. María del Pino continued to be members of the Board. Mr. Joaquín del Pino was at that time the natural person representative of the Director Karlovy, S.L. (who resigned as a result of the transfer of its entire shareholding in the Company).

With the appointment of Ms. María and Mr. Joaquín del Pino (both re-elected by the General Meeting in 2019) as Proprietary Directors, Ferrovial wanted to take advantage of their extensive experience and knowledge of the group, ensuring the continuity and smooth running of the Board.

### 17. That the number of independent directors represents at least half of the total number of directors.

However, when the Company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, Independent Directors should occupy, at least, a third of Board places.

Compliant ☒ Explain ☐

### 18. That the companies publish the following information about their directors on their website and keep it updated:

- a) Professional experience and background;
- b) Directorships held in other companies, listed or otherwise, and other remunerated activities of any kind;
- c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have ties to;
- d) The date of their first and subsequent appointments as a company director.
- e) Shares held in the company and any options on it.

Compliant ☐ Partially compliant ☒ Explain ☐

Sections a), c), d) and e) are complied with.

Section b). The Board considers that it can make an assessment of the independence and availability of time of each Director without the need to publish all the paid activities they perform, regardless of their nature and amount. The Company's website does list other boards to which each Director belongs, whether or not they are listed companies.

### 19. Following verification by the Nominations Committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary Directors at the urging of shareholders controlling less than 3% of the capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

### 20. Proprietary Directors should resign when the shareholders they represent dispose of their shareholdings in their entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

### 21. The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the Bylaws, except where they find just cause, based on a proposal from the Nominations Committee. In particular, just cause will be presumed when Directors take up new posts or



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responsibilities that prevent them from allocating sufficient time to the work of a Board member, or are in breach of their fiduciary duties or have one of the disqualifying grounds for classification as Independent Directors set forth in the applicable legislation.

The removal of Independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the Company's capital structure, provided the changes in Board membership ensue from the proportionality criterion set out in recommendation 16.

Compliant ☒ Explain ☐

22. Companies should establish rules obliging directors to report and, if appropriate, resign when situations arise that affect them, whether or not they are related to their actions in the company, which may damage the company's credit and reputation and, in particular, obliging them to inform the board of directors of any criminal case in which they are under investigation, as well as of any procedural irregularities.

Having been informed or otherwise made aware of any of the situations mentioned in the previous paragraph, the Board should examine the case as soon as possible and, in view of the specific circumstances, decide, following a report by the Nomination and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. And that this is reported in the annual corporate governance report, unless special circumstances warrant it, which must be recorded in the minutes. This is without prejudice to the information to be disseminated by the company, where appropriate, when the relevant measures are taken.

Compliant ☒ Partially compliant ☐ Explain ☐

23. Directors should express their clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, Independent and other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking Board representation.

When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions.

Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation. The terms of this recommendation also apply to the Secretary to the Board, even if they are not a Director.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

24. When, either through resignation or by resolution of the general meeting, a director leaves their position before the end of their mandate, they should give sufficient explanation of the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for their removal by the board, in a letter to be sent to all members of the board of directors.

Without prejudice to the fact that all this is reported in the annual corporate governance report, insofar as it is relevant for investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

25. The Nominations Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.



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The Regulations of the Board of Directors should lay down the maximum number of Company Boards on which Directors can serve.

Compliant ☒ Partially compliant ☐ Explain ☐

26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agenda set at the start of the year, to which each Director may propose the addition of initially unscheduled items.

Compliant ☒ Partially compliant ☐ Explain ☐

27. Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Compliant ☐ Partially compliant ☒ Explain ☐

The recommendation is complied with except for in the last part. In one of the meetings held by the Nomination and Remuneration Committee during the year, a member of such committee did not give instructions when conferring his representation.

28. When Directors or the Secretary express concerns about a proposal or, in the case of Directors, about the Company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minutes book at the request of the person expressing them.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

29. The Company should provide suitable channels for Directors to obtain the advice they need to carry out their duties extending, if necessary, to external advice at the Company's expense.

Compliant ☒ Partially compliant ☐ Explain ☐

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Compliant ☒ Explain ☐ Not applicable ☐

31. The agendas of Board meetings should clearly indicate on which points Directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the Chairman may wish to present decisions or resolutions for Board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of Directors present.

Compliant ☒ Partially compliant ☐ Explain ☐

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the Company and its group.

Compliant ☒ Partially compliant ☐ Explain ☐

33. The Chairman, as the person charged with the efficient functioning of the Board of Directors, in addition to the duties assigned by law and the Company's Bylaws, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the Board and,



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where appropriate, the Company's CEO; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so advise.

Compliant ☒ Partially compliant ☐ Explain ☐

34. When there is a lead director, the Bylaws or the regulations of the board of directors, in addition to the powers that legally correspond to him, should attribute the following to him: to chair the board of directors in the absence of the chairman and vice-chairmen, if any; echo the concerns of non-executive directors; liaise with investors and shareholders to obtain their views in order to form an opinion on their concerns, in particular in relation to corporate governance of the company; and coordinate the succession plan for the chairman.

Compliant ☐ Partially compliant ☒ Explain ☐ Not applicable ☐

The Lead Director has the duties specified in the recommendation, except for:

Succession plan for the Chairman. The Nomination and Remuneration Committee studies and organises the succession plan for the Chairman (article 529 quidecies3 f) of the CCA. Given that the Lead Director may not be a member of this Committee, it was thought preferable not to ascribe specific functions to him/her in this domain.

With regard to the coordination of the execution of this plan, in 2020 there has been no succession of the Chairman and the Company's internal regulations do not assign this function to the Lead Director, without prejudice to what the Board may decide when the time comes.

Investor relations. The Board of Directors believes it preferable for contact with investors and shareholders in relation to the issues referred to in the recommendation to take place through the Company's competent specialist areas: mainly Investor Relations (General Finance Department) and General Secretary's Office.

35. The secretary of the board of directors should take special care to ensure that in its actions and decisions the board of directors takes into account the recommendations on good governance contained in this Code of Good Governance that are applicable to the company.

Compliant ☒ Explain ☐

36. That the board of directors in full should evaluate once a year and adopt, where appropriate, an action plan to correct the deficiencies detected with respect to:

- The quality and efficiency of the Board's functioning.
- The performance and composition of its committees.
- The diversity of Board of Directors' membership and competencies.
- The performance of the Chairman of the Board of Directors and the Company's Chief Executive.
- The performance and contribution of individual Directors, with particular attention to the chairmen of the various board committees.

The evaluation of Board committees will be based on the reports they send the Board of Directors, while that of the Board itself will be based on the report of the Nominations Committee.

Every three years, the Board of Directors should engage an external consultant to aid in the evaluation process. This consultant's independence should be verified by the Nominations Committee.

The business relations which the consultant or any company of their group maintains with the Company or any company of its Group must be fully specified in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Compliant ☒ Partially compliant ☐ Explain ☐



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37. When there is an executive committee, at least two non-executive directors should sit on it, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Compliant [ X ]      Partially compliant [   ]      Explain [   ]      Not applicable [   ]

38. That the board of directors is always informed of the business transacted and decisions taken by the executive committee and that all members of the board of directors receive a copy of the minutes of the meetings of the executive committee.

Compliant [ X ]      Partially compliant [   ]      Explain [   ]      Not applicable [   ]

39. That the members of the audit committee as a whole, and especially its chairman, are appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

Compliant [ X ]      Partially compliant [   ]      Explain [   ]

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-executive Chairman or to the Chairman of the Audit Committee.

Compliant [ X ]      Partially compliant [   ]      Explain [   ]

41. That the head of the unit that assumes the internal audit function presents its annual work plan to the audit committee for approval by the latter or by the board, reports directly to it on its execution, including possible incidents and limitations to the extent that they occur in its development, the results and the monitoring of its recommendations, and submits an activity report at the end of each year.

Compliant [ X ]      Partially compliant [   ]      Explain [   ]      Not applicable [   ]

42. That, in addition to those provided for by law, the following functions correspond to the audit committee:

### 1. In relation to information and internal control systems

- a) To supervise and assess the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems of financial and non-financial risks related to the company and, if applicable, to the group, including the operational, technological, legal, social, environmental, political and reputational risks or those related to corruption, reviewing compliance with regulatory requirements, appropriate delimitation of the scope of consolidation and the correct application of the accounting criteria.
- b) To ensure the independence of the unit that assumes the internal audit function; to propose the selection, appointment and dismissal of the head of the internal audit service; to propose the budget for that service; to approve or propose the approval by the Board of the guidelines and the annual work plan of the internal audit, ensuring that its activity is focused mainly on relevant risks (including reputational risks); to receive periodic information on its activities; and to verify that senior management takes into account the conclusions and recommendations of its reports.
- c) To establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors to communicate irregularities of potential importance, including financial and accounting irregularities, or irregularities of any other nature related to the company that they notice within



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the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, while respecting the rights of the complainant and the accused.

- d) To ensure in general that the policies and systems established for internal control are effectively implemented in practice.

### 2. In relation to the external auditor:

- a) To investigate the issues giving rise to the resignation of the external auditor, should this come about.
- b) To ensure that the remuneration of the external auditor does not compromise their quality or independence.
- c) To supervise that the company communicates through the CNMV the change of auditor and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if they have existed, of their content.
- d) To ensure that the external auditor has a yearly plenary meeting with the Board of Directors to inform it of the work undertaken and the evolution of the Company's risk and accounting situation.
- e) To ensure that the Company and the external auditor comply with current regulations on the provision of non-audit services, limits on the auditor's business concentration and other requirements concerning auditor independence.

Compliant ☒ Partially compliant ☐ Explain ☐

43. That the audit committee may summon any employee or manager of the company, and even order their appearance without the presence of any other manager.

Compliant ☒ Partially compliant ☐ Explain ☐

44. The audit committee should be informed of structural and corporate modification operations the company plans to carry out for analysis and prior report to the Board of Directors on the economic conditions and their accounting impact and, in particular, if applicable, on the proposed exchange ratio.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

45. That the risk control and management policy identifies or determines at least:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by society, including among the financial or economic risks, contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialised risk committee where sectoral rules provide for it or where the company deems it appropriate.
- c) The level of risk that society considers acceptable.
- d) The measures in place to mitigate the impact of identified risks should they occur;



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- e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Compliant ☒ Partially compliant ☐ Explain ☐

46. The Company should establish an internal risk control and management function run by one of the Company's internal department or units, under the direct supervision of the Audit Committee or another specialised Board committee, which should be attributed the following duties:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that the major risks to which the Company is exposed are correctly identified, managed and quantified.
- b) Take an active part in preparing the risk strategy and in important decisions with regard to the management thereof.
- c) Ensure that risk control and management systems are mitigating risks effectively within the framework of the policy drawn up by the Board of Directors.

Compliant ☒ Partially compliant ☐ Explain ☐

47. Appointees to the Nomination and Remuneration Committee - or to the Nominations Committee and the Remunerations Committee, if separately constituted - should have the right balance of knowledge, skills and experience for the duties they are called on to perform. The majority of their members should be Independent Directors.

Compliant ☒ Partially compliant ☐ Explain ☐

48. Large cap companies should operate separately constituted Nomination and Remuneration Committees.

Compliant ☐ Explain ☒ Not applicable ☐

[ The Board believes that: (i) the Nomination and Remuneration Committee adequately carries out its duties; (ii) having two separate committees would increase the cost to the Company without necessarily increasing its efficacy. Circumstances may nonetheless determine a different decision in future. ]

49. The nominations committee should consult with the chairman of the board of directors and the chief executive of the company, especially on matters relating to executive directors.

When there are vacancies on the Board, any Director may approach the Nominations Committee to propose candidates that might be considered suitable.

Compliant ☒ Partially compliant ☐ Explain ☐

50. The remunerations committee should exercise its functions independently and, in addition to the functions attributed to it by law, it should be responsible for the following:

- a) Propose the basic terms of the contracts of senior executives to the Board of Directors.
- b) Monitor compliance with the remuneration policy set by the Company.





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- c) Periodically review the remuneration policy for Directors and senior managers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior managers in the Company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice provided to the Committee.
- e) Verify the information on the remuneration of Directors and senior managers in corporate documents, including the Annual Directors' Remuneration Report.

Compliant ☒ Partially compliant ☐ Explain ☐

51. The Remunerations Committee should consult with the Chairman and chief executive of the company, especially on matters relating to executive directors and senior officers.

Compliant ☒ Partially compliant ☐ Explain ☐

52. That the rules governing the composition and operation of the supervisory and control committees are set out in the regulations of the board of directors and that they are consistent with those applicable to the legally obligatory committees in accordance with the above recommendations, including:

- a) These committees should be formed exclusively of Non-executive Directors and have a majority of Independent Directors.
- b) Committees should be chaired by an Independent Director;
- c) The Board of Directors should appoint the members of such committees with regard to the knowledge, skills and experience of its Directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first Board plenary following each committee meeting.
- d) The committees may engage the services of external advisers, should they deem it necessary for the discharge of their duties.
- e) Meeting proceedings should be minuted and a copy made available to all Board members.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

53. The supervision of compliance with the company's policies and rules on environmental, social and corporate governance matters, as well as with internal codes of conduct, should be attributed to one or several committees of the board of directors, which may be the audit committee, the nominations committee, a specialised sustainability or corporate social responsibility committee or any other specialised committee that the board of directors, in the exercise of its powers of self-organisation, has decided to create. Such a committee should be composed solely of non-executive directors, the majority of whom should be independent and should be specifically assigned the minimum functions indicated in the following recommendation.

Compliant ☐ Partially compliant ☒ Explain ☐

The function of supervising corporate governance rules and internal codes of conduct is entrusted to the Audit and Control Committee. It is composed of four Non-Executive Directors, three of whom are Independent.

As will be seen in the explanation to recommendation 54 (given its relationship to this recommendation), the Board has not expressly attributed the remaining functions to an existing or newly created Committee as it considers it preferable for the time being to exercise them directly.



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54. The minimum functions referred to in the above recommendation are as follows:

- a) The supervision of compliance with corporate governance rules and the company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) The supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, voting advisers and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders will also be monitored.
- c) The evaluation and periodic review of the corporate governance system and the company's environmental and social policy, so that they fulfil their mission of promoting the social interest and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) Monitoring that the company's environmental and social practices are in line with the strategy and policy.
- e) Monitoring and evaluating the company's processes for maintaining relations with the various stakeholders.

Compliant [ ☐ ] Partially compliant [ ☒ ] Explain [ ☐ ]

Letter a). As indicated in the explanation relating to recommendation 53, these functions are attributed to the Audit and Control Committee by article 21 of the Regulations of the Board of Directors.

Letter b). At its meeting held on 19 October 2020, the Board approved a General Policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. The management of this Policy is entrusted, within their respective competencies, to the Communication and Corporate Responsibility Department, the General Finance Department and the General Secretary's Office, as specialised areas of the Company in these matters. The full Board of Directors is informed twice a year about (i) the perception that analysts and investors have of the Company and its group; and (ii) the main shareholders of the Company and the evolution of their stake in the share capital.

Letters c), d) and e). The Board defines the Company's corporate governance system with the support and periodic reporting from the areas with competencies in this area, especially the General Secretary's Office. The Audit and Control Committee specifically reviews this system when the draft Annual Corporate Governance Report is submitted to it prior to its formulation by the Board; and has the power to propose improvements to internal corporate governance rules, such as the Bylaws or the Regulations of the Board Of Directors. The Nomination and Remuneration Committee (whose composition complies with the requirements of recommendation 53) has the powers pertaining to the remuneration of Directors and proposals or reports prior to their appointment, and periodically reviews the configuration of the Board and the availability of time of Non-Executive Directors.

The Company has a Sustainability Department and a Communication and Corporate Responsibility Department.

The former is responsible for designing the Ferrovial Group's sustainability strategy and leads the Sustainability Committee, which monitors its implementation and updating. The sustainability strategy includes environmental (including decarbonisation and water footprint targets), social and ethical and good governance areas. The Board is regularly briefed by the Sustainability Director on the Group's performance in these areas. In particular, the new global sustainability strategy, together with its implementation plan, was submitted to the Board on 20 October.

In addition, the Board periodically supervises environmental practices and, particularly given their importance and potential impact on the business areas, the degree of progress and compliance with the objectives of the group's climate strategy.

The Company's Communication and Corporate Responsibility Department is generally responsible for relations and dialogue with its stakeholders, and is in charge of directing, coordinating, analysing and managing relations with non-financial information stakeholders and with the third sector, acting in accordance with the principles of transparency, reliability and traceability. The Director of Communication and Corporate Responsibility periodically reports to the Board on the main aspects of the Group's corporate social responsibility, the Company's presence in international sustainability indexes and the social action programmes developed by the Group.

55. That sustainability policies on environmental and social matters identify and include at least:

- a) The principles, commitments, objectives and strategy with regards to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct.



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- b) The methods or systems for monitoring compliance with policies, associated risks and their management.
- c) Non-financial risk supervision mechanisms, including those related to ethical and business conduct issues.
- d) The company's channels for communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that prevent the manipulation of information and protect the Company's honour and integrity.

Compliant [ ☐ ] Partially compliant [ ☒ ] Explain [ ☐ ]

Letter a). The Company has several internal policies relating to the matters mentioned in the recommendation: (i) Code of Business Ethics; (ii) Corporate Responsibility Policy; (iii) Quality and Environmental Policy; (iv) Health and Safety Policy; (v) Compliance Policy and Anti-Corruption Policy; (vi) Tax compliance and best practices policy, Tax policy and Tax risk control and management policy; (vii) General policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders; and (viii) Human rights policy.

In addition, the Company has specific practices in its relationship with the different stakeholders in the different areas of sustainability. With regard to suppliers, it has a Code of Ethics for Buyers, a Green Purchasing Catalogue and a Global Purchasing Committee made up of the senior purchasing managers of the different business units. There are also internal due diligence procedures that seek to verify the ethical integrity of potential partners and suppliers of the group before entering into agreements with them, as well as of candidates in the employee selection processes.

Letter b).- Some of the Policies listed do not specifically allude to the monitoring of its compliance, the associated risks and their management.

Both the full Board of Directors and the Group Management Committee are informed about health and safety at every meeting. In addition, the Board of Directors is regularly informed about (i) employees and diversity, as part of the annual report of the Human Resources Department; (ii) the main shareholders and investors of the Company and the perception analysts have of it; (iii) the tax policies followed during each financial year; (iv) environmental performance; (v) performance in the area of corporate social responsibility; (vi) the implementation of the compliance model; and (vii) the main risks of the group, in accordance with the Risk Management and Control Policy.

The Audit and Control Committee also periodically monitors, through the reports of the Compliance and Risk Department, the evolution of the compliance programme and its effectiveness indicators, including in particular the operation of the Ethical Channel referred to below. This Committee also receives regular reports on the Group's risks.

In addition, this Committee reports the Integrated Annual Report, which includes both the company's financial and non-financial information.

Letter c). The aforementioned Risk Control and Management Policy regulates the Ferrovial Group's risk control and management system, known as Ferrovial Risk Management (FRM). The aim of this system is to identify potential risk factors that may be encountered in the achievement of business targets (including those relating to ethical aspects and business conduct). The FRM is described in section E of this Annual Corporate Governance Report.

Letter d). As indicated above, the Board of Directors approved a General Policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. This Policy contemplates the different communication channels that the Company uses in its relations with stakeholders. These include the CNMV, the corporate website, the press room, the corporate blog, the application for mobile devices, social networks and the Integrated Annual Report. This Policy also regulates the Investor Relations, Communication and Corporate Social Responsibility Departments, insofar as they are more directly responsible for communication with these stakeholders. Communication with proxy advisors and rating agencies is also specifically regulated.

On the other hand, periodically the Company, through the Communication and Corporate Social Responsibility Department, holds individual and joint meetings (annual or biennial) with stakeholders, at different levels, in order to maintain an ongoing dialogue. Every two years the Company updates its relevance study, which is based on a survey in which stakeholders in the main markets in which the company operates are consulted on matters related to corporate responsibility.

The Company has an Ethical Channel that allows any person to report, confidentially (and anonymously if desired), any possible irregularity, non-compliance or behaviour contrary to ethics, legality or internal rules and procedures.

**56.** Directors' remuneration should be sufficient to attract and retain Directors with the desired profile, and to cover the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of Non-executive Directors.

Compliant [ ☒ ] Explain [ ☐ ]



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57. Variable remuneration linked to Company and personal performance, and remuneration based on shares, options or rights on shares or instruments tied to share prices, and long-term saving schemes such as pension plans, retirement plans or other social welfare systems, should be confined to Executive Directors.

The Company may consider the share-based remuneration of Non-executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of, where applicable, to defray costs related to their acquisition.

Compliant ☒ [ X ]

Partially compliant ☐ [ ]

Explain ☐ [ ]

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector, or other circumstances.

In particular, variable remuneration items should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor in the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are adequate to create long-term value, such as compliance with the Company's internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to sustained value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Compliant ☒ [ X ]

Partially compliant ☐ [ ]

Explain ☐ [ ]

Not applicable ☐ [ ]

59. The payment of the variable components of remuneration is subject to sufficient verification that the performance or other conditions set out above have actually been met. Entities shall include the criteria for the time required and the methods for such verification in the annual report on directors' remuneration, depending on the nature and characteristics of each variable component.

In addition, the institutions should assess the establishment of a reduction clause ('malus') based on the deferral for a sufficient period of payment of a part of the variable components that implies its total or partial loss in the event that, prior to the moment of payment, some event occurs that makes it advisable.

Compliant ☒ [ X ]

Partially compliant ☐ [ ]

Explain ☐ [ ]

Not applicable ☐ [ ]

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant ☒ [ X ]

Partially compliant ☐ [ ]

Explain ☐ [ ]

Not applicable ☐ [ ]

61. A major part of executive Directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.



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Compliant [ X ]

Partially compliant [ ]

Explain [ ]

Not applicable [ ]

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been allocated, the executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.

An exception is made when the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to at least twice their fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the Nominations and Remuneration Committee, to deal with any extraordinary situations that may arise.

Compliant [ X ]

Partially compliant [ ]

Explain [ ]

Not applicable [ ]

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.

Compliant [ X ]

Partially compliant [ ]

Explain [ ]

Not applicable [ ]

64. Payments on account of termination or expiry of the contract should not exceed an amount equivalent to two years of the total annual remuneration and should not be paid until the company has been able to verify that the director has complied with the criteria or conditions established for payment.

For the purposes of this recommendation, payments on termination or extinction of the contract shall include any payments whose accrual or payment obligation arises as a result of or due to the termination of the contractual relationship linking the director to the company, including amounts not previously consolidated from long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Compliant [ ]

Partially compliant [ ]

Explain [ ]

Not applicable [ X ]



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### H. OTHER INFORMATION OF INTEREST

1. If you consider that there is any material aspect or principle relating to the corporate governance practices followed by your Company or its group companies that has not been addressed in this report, and which is necessary to provide a more comprehensive, justified view of the corporate governance structure and practices of the Company or its group, explain briefly.
2. You may include in this section any other information, clarification or observation related to the above sections of this report, to the extent that you deem them relevant and not repetitive. Specifically indicate whether the Company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.
3. Also state whether the Company voluntarily subscribes to other international, sector-specific or other ethical codes or good practices. If applicable, identify the Code in question and the date of adoption. In particular, it will mention whether it has adhered to the Code of Good Tax Practices of 20 July 2010:

#### SECTION A.2

The changes indicated for the shareholder Mr. Rafael del Pino y Calvo-Sotelo are due to capital increases and reductions carried out by the Company in the year.

The shareholder D1 CAPITAL PARTNERS MASTER, LP notified the CNMV on 18 January 2021 of the reduction of its stake to below 1% of the share capital.

#### SECTION A.10 Continued:

6. Power of sub-delegation: the powers conferred by this agreement shall be sub-delegated in favour of the Executive Committee, the Chairman or the CEO of the Company, and in any case, they may be exercised by persons at any given time appointed by the Internal Code of Conduct in the Securities Markets of the Company.

This authorisation replaces that adopted in the same area by the General Shareholders' Meeting on 22 March 2013, which is rendered null and void in the part not used."

#### EIGHTH RESOLUTION OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 17 APRIL 2020

"1. Reduction of share capital through the redemption of both own shares currently in treasury stock and own shares to be acquired through a buyback programme for their redemption.

It is resolved to reduce the share capital of Ferrovial, S.A. (the "Company") by the sum of the above:

- i. €551,192, through the redemption of 2,755,960 own shares held as treasury shares at 27 February 2020, with a par value of twenty cents of a euro (€0.20) each, acquired under the authorisation granted by the General Shareholders' Meeting held on 5 April 2017 under item ten of the agenda, and within the limits provided for in articles 146 and related articles and 509 of the CCA (the "Existing Treasury Shares"); and
- ii. the aggregate nominal value, subject to the maximum indicated below, represented by shares of twenty cents of a euro (€0.20) par value which are acquired for redemption through a share buy-back programme for all shareholders of up to 25,000,000 own shares, which will be in force until 4 December 2020 at the latest, and which has been approved by the Board of Directors at its meeting held on 27 February 2020, pursuant to (i) Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014, on market abuse, and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing the Market Abuse Regulation as regards regulatory technical standards on conditions for buy-back programmes and stabilisation measures; and (ii) the authorisation granted by the General Shareholders' Meeting held on 5 April 2017 under agenda item ten (the "Buy-Back Programme" or the "Programme").

Pursuant to the resolution adopted by the Board of Directors at its meeting held on 27 February 2020, the Buy-Back Programme is subject to two quantitative limits in terms of the amount of the investment and the number of shares to be acquired:

- i. The maximum net investment of the Programme is €360 million (the "Maximum Investment"). For the purposes of calculating the amount of the Maximum Investment, only the purchase price of the shares shall be counted. Therefore, any expenses, commissions or brokerage fees that may be charged to the acquisition transactions will not be counted.
- ii. The maximum number of shares to be acquired under the Programme is 25 million, representing 3.40% of the Company's share capital as at the date of formulation of this draft agreement.

Consequently, the maximum amount of the capital reduction (the "Capital Reduction") will be €5,551,192, through the redemption of a maximum of 27,755,960 treasury shares with a par value of twenty cents of a euro (€0.20) each, representing a maximum of 3.775% of the share capital at the time of the adoption of this resolution. This figure is the sum of the aggregate nominal value of the number of own shares corresponding to the existing treasury stock and the aggregate nominal value of the maximum number of shares to be acquired under the Buy-Back Programme.

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Pursuant to the following, the final amount of the Capital Reduction will be set by the Board of Directors (with express power of substitution) according to the final number of shares to be acquired from the shareholders within the framework of the Buy-Back Programme, in accordance with the aforementioned Maximum Investment and maximum number of shares to be acquired.

### 2. Purpose of the reduction

The aim of the Capital Reduction is to redeem own shares, contributing to the Company's shareholder remuneration policy by increasing the profit per share. This operation is established as a nominal or accounting reduction, since its execution will not involve either a refund of contributions to shareholders or amendment of the system for corporate equity availability, as set out below.

### 3. Procedure for the acquisition of shares to be redeemed

Without prejudice to the Existing Treasury Stock, and by virtue of the provisions of the resolution of the Board of Directors adopted at its meeting held on 27 February 2020, the Company may acquire, in execution of the Buy-Back Programme, a maximum number of 25 million treasury shares representing, at most, 3.40% of the share capital of the Company at the date of this resolution, an amount which is within the legal limit and that provided for in the authorisation for the acquisition of treasury shares conferred by the General Shareholders' Meeting held on 5 April 2017 under item ten of the agenda.

Pursuant to the provisions of the aforementioned resolution of the Board of Directors, the acquisition of the own shares shall be made subject to the price and volume conditions set out in Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and in Articles 2, 3 and 4 of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 on market abuse as regards regulatory technical standards concerning the conditions applicable to buy-back programmes and stabilisation measures, without it therefore being necessary to make a tender offer for the shares of the Company to be acquired in exercise of the Buy-Back Programme.

### 4. Features of the Buy-Back Programme

Pursuant to the resolution adopted by the Board of Directors at its meeting held on 27 February 2020, the main features of the Buy-Back Programme are as follows:

The Company will acquire, for redemption, own shares for a maximum investment of €360 million. Under no circumstances may the number of shares to be acquired under the Buy-Back Programme exceed 25 million shares, representing 3.40% of the Company's share capital at the date of this proposed resolution.

The acquisition of the shares will be carried out in accordance with the price and volume conditions set out in Article 3 of the Delegated Regulation (EU) 2016/1052 of the Commission, 8 March 2016.

The Buy-Back Programme will remain in effect until 4 December 2020 (inclusive). Notwithstanding the above, the Company may finalise to the Programme prior to the deadline if its aim has been met and, in particular, if prior to the expiry of the Programme the Company has acquired, under the Programme, the maximum number of shares indicated in section 1 above, or shares at an acquisition price that reaches the amount of the Maximum Investment stated in section 1 above, or if any other circumstance occurs that makes this advisable.

It is hereby stated for the record that the full details of the Buy-Back Programme were duly communicated to the market through the National Securities Market Commission, in accordance with the provisions of article 5.1 a) of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

### 5. Procedure for the reduction, the reserves to be drawn from and the time limit for implementation

In accordance with the provisions of Article 342 of the Capital Companies Act, own shares acquired by the Company under the Buy-Back Programme must be redeemed within one month after the completion of the Buy-Back Programme. Therefore, the Capital Reduction must be executed within the same period and, in any case, within one year from the date of adoption of this agreement.

In accordance with the provisions of article 340.3 of the Capital Companies Act, if the Company does not make acquisitions for the amount of the Maximum Investment under the Buy-Back Programme, it will be understood that the capital is reduced by the nominal value corresponding to the number of shares effectively acquired under the Buy-Back Programme.

The Reduction of Capital will not imply the return of contributions to the shareholders, given that, at the time of execution of the reduction, the Company will be the owner of the shares to be redeemed. The reduction will be made with a charge to free reserves, through the allocation of a reserve for redeemed capital for an amount equal to the par value of the redeemed shares, which will only be available with the same requirements as those required for the reduction of share capital.

Consequently, in accordance with Article 335 c) of the Capital Companies Act, there will be no right of opposition by creditors under Article 334 of the same act.

### 6. Ratification of resolutions of the Board of Directors





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It is resolved to ratify the resolutions of the Board of Directors regarding the approval of the Buy-Back Programme and the setting of its terms and conditions, including the setting of the maximum number of own shares to be acquired under the Programme, the Maximum Investment and its period of validity, as well as the actions, declarations and steps taken to date regarding the public communication of the Buy-Back Programme.

### 7. Delegation of powers

It is agreed to delegate to the Board of Directors, with express powers to sub-delegate to the Executive Committee, the Chairman or the CEO, the power to determine the terms and conditions of this agreement in all matters not expressly provided for herein. In particular, and by way of illustration only, the following powers are delegated to the Board of Directors, with express powers to sub-delegate to the Executive Committee, the Chairman or the CEO

- a) To amend the maximum number of shares that may be subject to buy-back by the Company and any other conditions of the Programme, within the limits set out in this agreement and the law, all in accordance with the provisions of Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052, 8 March 2016.
- b) Proceed with the execution of the Capital Reduction within a period not exceeding one month from the end (anticipated or planned) of the Buy-Back Programme and, in any case, within the year following the date of adoption of this agreement.
- c) Set the final figure for the Capital Reduction in accordance with the rules set out in this agreement and based on the final number of shares acquired from shareholders under the Buy-Back Programme.
- d) Declare closed and executed the Capital Reduction agreed establishing, for this purpose, the final number of shares to be redeemed and, therefore, the amount by which the Company's capital must be reduced in accordance with the rules established in this agreement.
- e) Redraft Article 5 of the Company's Bylaws, relating to the Share Capital, in order to adapt it to the result of the Capital Reduction.
- f) Carry out any actions, declarations or steps that may be necessary in relation to the provision of public information on the Buy-Back Programme and any actions that may be necessary before the National Securities Market Commission and the Stock Exchanges on which the Company's shares are listed, as well as before the regulators and governing bodies of the markets on which the share acquisition operations are carried out. Negotiate, agree and sign as many contracts, agreements, commitments or instructions as necessary or convenient in order to ensure a positive outcome of the Buy-Back Programme.
- g) Carry out the necessary procedures and actions and submit the necessary documents to the competent bodies so that, once the Company's shares have been redeemed and the deed for Capital Reduction has been granted and registered in the Mercantile Registry, the redeemed shares are excluded from trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Stock Exchange Interconnection System (Continuous Market) and the corresponding accounting records are cancelled.
- h) Carry out any actions that may be necessary or convenient to execute and formalise the Capital Reduction before any public or private entities and bodies, both Spanish and foreign, including the declaration, complement or correction of defects or omissions that may prevent or hinder the full effectiveness of the preceding agreements".

### SECTION A.14

A subsidiary of Ferrovial, S.A. has issued bonds admitted to trading on the London Stock Exchange since June 2013 with the guarantee of Ferrovial, S.A.

### SECTION B.4

The figure for attending in person includes the Company's treasury stock as of the date on which the General Shareholders' Meeting was held.

### SECTION C.1.2

The table indicates, as the date of first appointment, the date on which the Directors (i) took office in the former Grupo Ferrovial, S.A., parent company of the Ferrovial group before the merger between that entity and Cintra Concesiones de Infraestructuras de Transportes, S.A. carried out in 2009 (the "Merger"); or (ii) in Ferrovial, S.A. with respect to those Directors appointed subsequent to the Merger.

### SECTION C.1.13

Remuneration in favour of the Board of Directors: The Company has insurance policies covering death (for which premiums totalling €12 thousand were paid in 2020), of which the Executive Directors are beneficiaries. No life insurance premiums were paid for the Directors of the Company who are members of other Boards of Directors and/or senior executives of Group Companies or Associates. Additionally, during 2020, the current CEO, Mr. Ignacio Madridejos, has been allocated the amount of €8 thousand as remuneration in kind corresponding to a company car.

Rights accumulated by the current directors in relation to pensions: Mr. Ignacio Madridejos participates in a deferred remuneration scheme. This is extraordinary deferred remuneration, which will only be made effective once the relationship with the Company terminates by mutual agreement, upon attainment of a certain age, with no other consolidated rights existing. The contributions made for this concept in 2020 amounted to €401 thousand, with the total accumulated at the closing date of this report amounting to €503 thousand for Mr. Ignacio Madridejos.

### SECTION C.1.32

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The amount stated for work other than audit work does not include services related to auditing. The latter amounted to €500 thousand in 2020.

### SECTION C.2.1. Continued:

#### AUDIT AND CONTROL COMMITTEE:

- Report, in advance, to the Board of Directors on all matters envisaged in the law, the Bylaws and the Regulations of the Board of Directors, and in particular, about: (i) the creation or acquisition of stakes in special purpose entities or those domiciled in countries or territories considered to be tax havens; and (ii) operations with related parties.
- Supervise compliance with internal regulations on corporate governance and conduct in the securities markets and make proposals for their improvement, also ensuring that the corporate culture is aligned with its purpose and values. In particular, to report on the Company's transactions with Directors or their related parties and to prepare a report on related-party transactions, which shall be published on the Company's website sufficiently in advance of the Ordinary General Shareholders' Meeting.
- Periodically evaluate the effectiveness of the compliance programme and the proposals for updating that the Compliance Department submits to the Board of Directors for its continuous improvement, and ensure that the Compliance Department has the personal, technical and material resources and sufficient training to carry out its functions.
- To ensure in general that the policies and systems established for internal control are effectively implemented in practice.

#### FUNCTIONING

The Committee Chairman will chair meetings, lead discussion on the matters to be addressed, and have the casting vote in the event of a tied vote.

The Committee will meet following a call by its Chairman, who should do so when so requested by the Board of Directors, the Chairman of the Board of Directors, or two members of the Committee, and in any event, when required for the proper performance of its duties.

The Committee shall be deemed to be validly constituted when more than half of its members are present or represented at the meeting. Resolutions shall be taken by absolute majority vote by those present.

To better fulfil its duties, the Committee may seek the opinion of external advisers, for which purposes, the provisions of the Board regulations will apply.

Any member of the management team or Company personnel required to do so will be obliged to attend the Committee's meetings, providing it with their assistance and access to the information they have. When so determined by the Committee, they shall attend without the presence of any other executive.

The Committee may require the auditors to attend its sessions.

It will also issue a report on its operations, which will be published on the Company website sufficiently in advance of the Company's General Shareholders' Meeting.

In all matters not specifically provided for the Committee, the regulations of the Board of Directors shall apply, provided that they are compatible with the nature and function of the Committee.

The Audit and Control Committee has taken into account in its operation, as well as in the exercise of its powers throughout the year, the CNMV's Technical Guide on audit committees of public interest entities.

#### MOST IMPORTANT ACTIONS CARRIED OUT DURING THE YEAR

As in previous years, in December 2019 the Committee approved a work plan with the forecast of matters to be dealt with at each of its 2020 meetings (adding, where appropriate, those that will be dealt with during the year).

A summary of the main activities carried out during the 2020 follows.

#### Financial information

During the year, the Committee reviewed and analysed the integrity of this information prior to its knowledge by the Board of Directors and its transmission to the authorities or markets, reporting favourably on it. In this analysis, special attention has been paid to the main opinions and estimates made in those areas that are more complex or where the accounting impact is more relevant. For this review, it was assisted by the General Finance Department (GFD) and Ferrovial's external auditor.

The external auditor responsible for carrying out the audit for the 2019 financial year (Deloitte, S.L.) appeared before the Committee for the presentation of the annual accounts for that year to set out the salient features of its audit work, the main risks and the issues to be followed up during 2020. It reported on its independent review of the consolidated statement of non-financial information contained in the consolidated management report (which forms part of the Integrated Annual Report), and its adaptation to international standards for reporting non-financial information (Global Reporting Initiative -GRI- standards) and to the contents established in the applicable mercantile regulations.





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Newly appointed auditor (Ernst & Young, S.L.) informed the Committee of its work on the limited review of the half-yearly financial statements as of 30 June 2020, reporting on the most relevant issues identified in this limited review, as well as the aspects to be followed at the end of the year. The auditor has also appeared in the meetings of the Committee in which the economic-financial information closed on 30 March and 30 September was discussed.

Finally, the auditor also presented to the Committee its strategy and work plan for the audit of the annual accounts for the financial year 2020, and the previous work carried out on the basis of the financial information closed on 30 September.

### Relations with the external auditor

In accordance with articles 529 quaterdecies.4 d) of the CCA and 51.3 d) of the EESS, it is incumbent upon the Committee to propose the appointment of the auditor to the Board of Directors, for submission to the General Shareholders' Meeting. Following the selection process conducted by the Committee and the proposal submitted to the Board of Directors, the Company's General Shareholders' Meeting held on 17 April 2020 agreed to appoint Ernst & Young, S.L. as the new Group auditor for the financial years 2020, 2021 and 2022.

It also gave its approval to the GFD's proposal for the external audit of certain subsidiaries by 2020

The Committee also ensured that the external auditor appeared once before the full Board of Directors to inform it of the work performed, the evolution of the accounting situation and the Company's risks.

And the new auditor presented the Committee with its transition plan for the audit of the 2020 financial year and the composition of its team

### Independence of the external auditor

The Committee has formulated the legally binding report on this point, which is referred to below.

It has authorised, after analysis and in accordance with the internal procedure reviewed by the Committee (NPEF-102), the contracting of certain non-audit services with audit firms other than the Statutory Auditors. In its analysis, the Committee has considered the nature and circumstances of the service, the issues that may arise in relation to the regulations on independence and the reasons for contracting it from a specific audit firm. The Committee's assessment took account of the GFD's criteria.

The Committee has regularly received information on the purpose of the services of this type authorised to the various audit firms and their amount.

It has also been informed of the audit fees received by Ferrovial's external auditor (and by the rest of the group's auditors) in 2019, and their variation in relation to the previous year.

### Internal Control Procedures

At its May meeting, the Committee was informed by the outgoing external auditor (in the presence of the new auditor for the 2020-2022 period) of the main internal control recommendations made as a result of the audit of the 2019 accounts, as well as the most significant internal control improvement projects implemented during the year. The external auditor did not identify any significant weakness that should be reported to the Committee in accordance with the international financial reporting standards.

The GFD regularly reported to the Committee on (i) the work carried out in the group during the 2020 financial year in relation to the design, implementation and maintenance of the ICFR; (ii) controls over significant judgements and estimates made in the financial information presented to the market; (iii) the result of the self-assessment by the business divisions and corporate areas of the controls included in the ICFR and the proposed actions for improvement; and (iv) the modifications to the ICFR caused by organisational changes in the group's financial function.

### Internal Audit

The Committee carried out supervision of the activity of Internal Audit at the Company. Specifically, it has been informed of:

The report on Internal Audit activities corresponding to financial year 2019, which includes the conclusions of all the work carried out, the variations on the approved plan (stating the reasons), the work carried out in collaboration with other areas, details of the main aspects of improvement detected, the recommendations issued, the state of implementation of all those formulated during 2019 and previous financial years, the evolution of the most significant audited matters and the assessment of the quality perceived by those audited.

Quarterly reports on Internal Audit activities containing the degree of progress of programmed work, compliance with approved planning and its variations, collaboration with other areas, monitoring of the most significant audit issues, new recommendations issued and the state of implementation of those made in the last four years, the impact of covid-19 on audit work and evaluation of its quality.

The result of (i) the review of the ICFR process and of specific work to ensure compliance; and (ii) the review of the deployment of the compliance model in Spain, the audits carried out with an indication of the aspects in which progress must be made, the conclusions of the reviews carried out and the follow-up and implementation of the recommendations issued.

The internal audit work plan for 2021, approved by the Committee, which includes (i) the purpose of the work and the extent to which it covers the main risks of the group and the countries considered strategic; (ii) recurring tasks (including the follow-up of the external auditor's recommendations and conclusions); (iii) the internal organisation of the Internal Audit Department; and (iv) the expenditure budget.

### Analysis of risks and systems to control them



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Ferrovial's Compliance and Risks Department has appeared twice before the Committee to report on the main risks of the company and its group, both financial and non-financial, as well as on the functioning of the systems established for their identification, management and control.

In particular, the Committee has been informed about the process of drawing up the risk map and the most relevant risks of the group, the measures adopted to mitigate them and their evolution with respect to the previous information given to the Committee.

Finally, the Committee was informed by the Internal Audit Department of the annual report (referring to 2019) on the activity of the "Ethical Channel", indicating the number of complaints received and their evolution, their origin and typology, the procedures established for the prevention, detection and management of fraud, and the areas for improvement identified. The Compliance and Risk Department reported to the Committee on the activity of this incident management system in the period January-November 2020, distinguishing the different types of communications made, the business division they affect and the geographical area in which they were presented.

### Corporate governance and compliance actions

The Committee has carried out the following actions in this area:

- It informed the Ordinary General Shareholders' Meeting of Ferrovial, through the Chairman of the Committee, about the activities carried out during financial year 2019.
- It reported favourably, and in advance of its approval by the Board of Directors, on the Annual Corporate Governance Report corresponding to the financial year 2019.
- It approved a report on related-party transactions, which was published on the Company's website at the same time as the call for the General Shareholders' Meeting.
- It has informed, prior to its approval by the Board, on the transactions of Directors of the Company with companies of the Ferrovial group.
- It became aware of the main new features included in (i) the GGC following the partial reform approved by the CNMV in June 2020; and (ii) in the draft law amending the CCA and other financial regulations with regard to promoting the long-term involvement of shareholders in listed companies.
- It has twice proposed the amendment of the Rules of Procedure of the Board of Directors. The first is to include a limit on the number of Boards outside the Company to which Directors may belong. The second is intended, among other things, to incorporate the functions assigned to the Committee by the GGC following its last reform.
- It has reviewed the modification of the Code of Conduct in the Securities Markets, which adapts it to the most recent regulations and to the repeal by the CNMV of its criteria on discretionary treasury stock trading.
- At the December meeting, it followed up on the situation of some of the Ferrovial Group's main projects.
- It has overseen the effectiveness of Ferrovial's compliance model. To this end, the Compliance and Risks Department informed the Committee of its work plan and the level of progress of the actions comprising it (including, among other indicators, the preparation or review of internal procedures or policies and the training carried out and planned for employees in this area).
- It has also received information on two other occasions regarding the compliance programme, including (i) the identification and prevention of compliance risks; (ii) the actions carried out to update the crime prevention model of the Company and its group (iii) the result of the self-assessment of the controls and the action plans for those assessed as not effective; (iv) the criminal risk map and ongoing actions for its mitigation.
- It was informed of the proposal to amend the Compliance Policy and the Crime Prevention Model and gave its approval to the Ferrovial Group's Policy on Ethical Channels and Management of Queries, Reports and Complaints.
- It approved the Committee's work plan with a forecast of matters to be discussed at each of its meetings in 2021.

### COMPOSITION

All the members of the Audit and Control Committee as a whole, and especially its Chairman, have been appointed taking into account their knowledge and experience in accounting, auditing or risk management, both financial and non-financial.

Considered together, they have the technical knowledge required for the sector in which the Company operates. They have adequate knowledge of the infrastructure sector, the activities carried out by Ferrovial and the main geographic markets in which it is active.

They also have extensive experience in managing international business groups.

### NOMINATION AND REMUNERATION COMMITTEE

#### Composition of the Board of Directors and its Committees

The Committee analysed the needs of the Board of Directors and considered it appropriate, within the framework of the gradual renewal of the Board included in the action plan derived from the evaluation of the Board and contained in the Annual Corporate Governance Report, to reinforce the following aspects in the composition of the Board: diversity of origin, gender and professional background, looking for people with experience in Ferrovial's priority markets and with knowledge and experience in the financial, business, innovation and new technology fields, maintaining the number of independent directors in accordance with regulations and best practices.

The amount and nature of the operations that, during the financial year 2019, Ferrovial (or its group companies) carried out with other companies in which the Independent Directors of Ferrovial are also directors was also reviewed, considering that these do not prevent the performance of the duties of said Independent Directors as such, giving its approval to the reasoned statement included in the draft of the Annual Corporate Governance Report corresponding to the aforementioned financial year (section C.1.3.)

It examined the current composition of the Board of Directors and reviewed the category attributed to each of the Directors.

The Committee verified compliance with the Ferrovial Board of Directors' composition policy and proposed its review to adapt it to the recommendations of the Good Governance Code following its reform in June 2020.

#### Remuneration of the Directors and Senior Management



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

It reported favourably on the draft Annual Report on Directors' Remuneration corresponding to the financial year 2019.

In relation to the remuneration of the members of the Board in their capacity as such, the Committee proposed to the Board of Directors (i) the settlement of the 2019 financial year in accordance with the detail contained in the Annual Report on Directors' Remuneration; and (ii) to propose that the Directors' Remuneration Policy in force from time to time establish a maximum annual amount of remuneration for 2020 and its distribution among the Directors, instead of the automatic review based on the CPI.

With respect to the remuneration of the Executive Directors, the Committee proposed to the Board (i) their variable remuneration for the financial year 2019; and (ii) their fixed remuneration corresponding to the financial year 2020.

With regard to senior management, the Committee reported (i) their variable remuneration for financial year 2019; (ii) their fixed remuneration corresponding to the financial year 2020.

With reference to the Remuneration Policy for Directors and Senior Management, this was submitted to the Board of Directors for approval by the General Shareholders' Meeting.

Likewise, it verified the information on the remuneration of the Directors and senior management contained in the corporate documents and checked the observance of the Company's remuneration policy.

As a consequence of COVID-19 the Committee proposed to the Governing Board to apply different exceptional measures on the compensation elements.

The Committee also received a benchmarking on the remuneration of directors in their capacity as such.

The Committee also received information on the analysis carried out by an external consultant on the current system of variable remuneration for Executive Directors and senior management, to identify the level of compliance with international standards and several companies considered "peers".

In addition, the Committee has given its approval to the action plan designed, following an analysis by an external consultant of the Annual Remuneration Report and the Directors' Remuneration Policy, to identify improvements to be made in order to strengthen our practices.

Appointments of the Company's senior management and of directors in subsidiary companies

The Committee reported favourably on the proposed appointment of Mr. Carlos Cerezo Paredes as Managing Director of Human Resources and Mr. Dimitris Bountolos Andrés as Managing Director of Information Systems and Innovation, and proposed the basic conditions of their contracts, including their remuneration to the Board of Directors.

It also reported favourably on the appointment of Ferrovial representatives to the boards of directors of the main subsidiaries and investees.

In relation to other matters:

The Committee received reports on:

- the succession plan for the CEO, senior management and other management positions
- talent management

### COMPOSITION

The members of the Nomination and Remuneration Committee are appointed in such a way as to ensure that they have the knowledge, skills and experience appropriate to the functions they are called upon to perform.

### SECTION E.6 Continued:

#### 7. Other preventive procedures

##### a) Occupational health and safety systems

All business areas have occupational risks prevention systems in place that exceed the requirements of the OHSAS 18001 standard. When deemed necessary by the relevant stakeholders, these systems are certified by a third party.

Some 81% of the total sales of the Group have systems that have been certified by accredited bodies.

These systems are always adapted to the reality of the site based on the risk assessment. They also consider preventive monitoring of the health and safety conditions of the production centres, as well as the continuous evaluation of compliance with any legal and regulatory requirements applicable in each case.



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### b) Non-payment or default

The risk of non-payment by private customers is mitigated by a solvency evaluation prior to entering into any agreement. The contractual requirements are supervised by the legal and economic-financial departments, to ensure that guarantees of response in the event of non-payment are established. During the work, the General Finance Department continually monitors certifications, collection documents and payment thereof.

### c) Business continuity plans

Ferrovial has implemented a Business Continuity Model that enables serious contingencies to be managed appropriately and the acceptable recovery of its critical processes, as necessary. The contingency scenarios contemplated include the absence of key personnel, and downtime of facilities and information systems.

The Business Continuity Committee is responsible for keeping the model up to date and performing regular compliance tests.

### 8. Risk transfer systems

The Ferrovial corporate policy is to arrange insurance for all the business areas through the Corporate Insurance Unit. Based on the Group's risk profile and its businesses, this department technically and economically optimises the hedges entered into to mitigate the transferable risks to which Ferrovial is exposed in the performance of its activity.

Likewise, and without prejudice to the corporate policies established at business level for the transfer of risks to the insurance market, Ferrovial takes out a series of insurance policies at corporate level that seek to expand the transfer of risks throughout the group, extending coverage and indemnity limits for risks: activity liability, directors' and officers' liability, environmental and cyber-security risks.

Periodically, the Board of Directors and the Audit and Control Committee receive information on the main risks faced by the management team in meeting its business objectives, as well as the management measures designed to control them.

### G. RECOMMENDATION

Letter e). The principles to be observed in the Company's communication activity are set out in the Policy mentioned in the reply to letter d): a) transparency and immediacy in the dissemination of information and facts that are relevant to the market; b) truthfulness and relevance of the data and concepts provided; c) open dialogue with the different stakeholders; d) equal treatment in the recognition and exercise of the rights of all shareholders who are in identical conditions and are not affected by conflicts of interest; e) protection of the legitimate rights and interests of all shareholders; f) continuous and permanent information through the use of effective communication channels; g) development of information channels that allow the advantages of new technologies to be exploited; and h) compliance with applicable regulations, as well as with the principles of cooperation and transparency with the competent authorities, regulatory bodies and administrations.

Such principles help to avoid manipulation of information and to protect the integrity and honour of the addressees or those to whom the information refers.

### 3.

On 25 November 2010, the Company resolved to comply with the Code of Good Tax Practices, implemented by Spain's Tax Authorities and Large Companies Forum. The purpose of this code is to reinforce the Company's transparency and cooperation in tax practices, and to increase legal certainty in the interpretation of tax regulations.

In this regard, on 27 February 2020 the Company's Tax Director appeared before the Board of Directors to inform about tax matters with impact on the Group tax position, complying with the commitments included in said Code. In 2020, the Company voluntarily prepared and presented the Annual Tax Transparency Report before the Spanish Tax Authorities, as instructed in the Code.

This annual corporate governance report was approved by the company's board of directors at its meeting held on

25/02/2021

Indicate whether there are Directors who may have voted against or abstained, in relation to the approval of this report.

[ ] Yes  
[ ✓ ] No

Report about "Information Related to the System of  
Internal Control Over the Financial Reporting (ICFR)" of  
FERROVIAL, S.A. for the year 2020

## REPORT ON THE "INFORMATION RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Board of Directors of Ferrovial S.A.:

In accordance with the request from the Board of Directors of FERROVIAL S.A. (hereinafter the Entity) and our engagement letter dated January 18, 2021, we have performed certain procedures on the ICFR-related information included within 2020 Corporate Governance Report of Ferrovial S.A. which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR-related information disclosed in the ICFR.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity's internal control was to enable us to establish the scope, nature, and timing of the audit procedures to be applied to the Entity's financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2020 described in the ICFR related information of the Corporate Governance Report. Consequently, had we applied additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have been disclosed which would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures applied were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 1/2020 of October 6 (hereinafter, the CNMV Circulars).
2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Entity.
3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.
4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.
5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.
6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures applied, no inconsistencies or issues were observed that might have an impact on ICFR-related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(signed on the original version In Spanish)

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Francisco Rahola Carral

February 25, 2021