

APPENDIX I

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER'S PARTICULARS

FINANCIAL YEAR END

31/12/2015

COMPANY TAX ID NO. (CIF):

A81939209

COMPANY NAME

FERROVIAL, S.A.

REGISTERED OFFICE

PRÍNCIPE 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 |
|---------------------------|-------------------|------------------|-------------------------|
| 22/12/2015 | 146,442,214.80 | 732,211,074 | 732,211,074 |

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

Yes

No

A.2 List the direct and indirect holders of significant ownership interests in your company at year-end, excluding directors:

| Name or corporate name of shareholder | Number of direct voting rights | Voting rights held indirectly | % of total voting rights |
|---------------------------------------|--------------------------------|-------------------------------|--------------------------|
| BLACKROCK INC. | 0 | 22,107,845 | 3.02% |

| Name or corporate name of indirect shareholder | Through: name or corporate name of direct shareholder | Number of voting rights |
|--|--|-------------------------|
| BLACKROCK INC. | CONTROLLED COMPANIES AND COLLECTIVE INVESTMENT INSTITUTIONS UNDER MANAGEMENT | 22,107,845 |

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

| Name or corporate name of shareholder | Transaction date | Description of the transaction |
|--|------------------|---------------------------------|
| BLACKROCK INC. | 08/01/2015 | Addition of 3% of share capital |
| BLACKROCK INC. | 15/01/2015 | Disposal of 3% of share capital |
| BLACKROCK INC. | 09/03/2015 | Addition of 3% of share capital |
| BLACKROCK INC. | 12/03/2015 | Disposal of 3% of share capital |
| BLACKROCK INC. | 22/04/2015 | Addition of 3% of share capital |
| BLACKROCK INC. | 23/04/2015 | Disposal of 3% of share capital |
| BLACKROCK INC. | 24/04/2015 | Addition of 3% of share capital |
| MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A. | 04/08/2015 | Addition of 3% of share capital |
| MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A. | 07/08/2015 | Disposal of 3% of share capital |
| CONCERTED ACTION | 04/08/2015 | Disposal of 3% of share capital |
| PORTMAN BAELA, S.L. | 07/08/2015 | Disposal of 3% of share capital |

| Name or corporate name of shareholder | Transaction date | Description of the transaction |
|---------------------------------------|------------------|----------------------------------|
| KARLOVY, S.L. | 07/08/2015 | Disposal of 3% of share capital |
| RAFAEL DEL PINO Y CALVO-SOTELO | 07/08/2015 | Addition of 20% of share capital |
| MARIA DEL PINO Y CALVO-SOTELO | 07/08/2015 | Addition of 5% of share capital |
| LEOPOLDO DEL PINO Y CALVO-SOTELO | 07/08/2015 | Addition of 5% of share capital |

A.3 Complete the following tables on company directors holding voting rights through company shares.

| Name or corporate name of director | Number of direct voting rights | Voting rights held indirectly | % of total voting rights |
|------------------------------------|--------------------------------|-------------------------------|--------------------------|
| SANTIAGO FERNÁNDEZ VALBUENA | 21,274 | 0 | 0.00% |
| SANTIAGO BERGARECHE BUSQUET | 2,467,663 | 1,934 | 0.34% |
| JOAQUÍN AYUSO GARCÍA | 132,938 | 0 | 0.02% |
| JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS | 171,673 | 0 | 0.02% |
| MARIA DEL PINO Y CALVO-SOTELO | 22,757 | 59,660,343 | 8.15% |
| JUAN ARENA DE LA MORA | 72,771 | 0 | 0.01% |
| RAFAEL DEL PINO Y CALVO-SOTELO | 286,987 | 147,993,560 | 20.25% |
| IÑIGO MEIRÁS AMUSCO | 224,881 | 0 | 0.03% |
| JOAQUÍN DEL PINO Y CALVO-SOTELO | 40,751 | 18,525,636 | 2.54% |
| LEOPOLDO DEL PINO Y CALVO-SOTELO | 100 | 61,201,654 | 8.36% |
| HOWARD LEE LANCE | 1,050 | 0 | 0.00% |
| ÓSCAR FANJUL MARTÍN | 6,970 | 0 | 0.00% |

| Name or corporate name of indirect shareholder | Through: name or corporate name of direct shareholder | Number of voting rights |
|--|---|-------------------------|
| SANTIAGO BERGARECHE BUSQUET | ROSARIO MENDOZA SOLANO | 1,934 |
| MARIA DEL PINO Y CALVO-SOTELO | MENOSMARES S.L. SOCIEDAD UNIPERSONAL | 59,660,343 |
| RAFAEL DEL PINO Y CALVO-SOTELO | RIJN CAPITAL B.V. | 147,993,560 |
| JOAQUÍN DEL PINO Y CALVO-SOTELO | SOZIANCOR S.L. SOCIEDAD UNIPERSONAL | 18,425,636 |
| JOAQUÍN DEL PINO Y CALVO-SOTELO | ADDITION SICAV, S.A. | 100,000 |
| LEOPOLDO DEL PINO Y CALVO-SOTELO | SIEMPRELARA S.L. SOCIEDAD UNIPERSONAL | 61,201,654 |

| | |
|--|---------------|
| % of total voting rights held by the Board of Directors | 37.72% |
|--|---------------|

Complete the following tables on share options held by directors.

| Name or corporate name of director | Number of direct voting rights | Voting rights held indirectly | Number of equivalent shares | % of total voting rights |
|------------------------------------|--------------------------------|-------------------------------|-----------------------------|--------------------------|
| JOAQUÍN AYUSO GARCÍA | 200,000 | 0 | 200,000 | 0.03% |
| RAFAEL DEL PINO Y CALVO-SOTELO | 1,179,600 | 0 | 1,179,600 | 0.16% |
| IÑIGO MEIRÁS AMUSCO | 20,000 | 0 | 20,000 | 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.

| Related-party name or corporate name |
|--------------------------------------|
| RAFAEL DEL PINO Y CALVO-SOTELO |
| MARIA DEL PINO Y CALVO-SOTELO |

Type of relationship: Family

Brief description:

Mrs María and Rafael del Pino Calvo-Sotelo are siblings.

| Related-party name or corporate name |
|--------------------------------------|
| MARIA DEL PINO Y CALVO-SOTELO |
| LEOPOLDO DEL PINO Y CALVO-SOTELO |

Type of relationship: Family

Brief description:

Mrs María and Leopoldo del Pino Calvo-Sotelo are siblings.

| Related-party name or corporate name |
|--------------------------------------|
| RAFAEL DEL PINO Y CALVO-SOTELO |
| LEOPOLDO DEL PINO Y CALVO-SOTELO |

Type of relationship: Family

Brief description:

Rafael and Leopoldo del Pino Calvo-Sotelo are siblings.

| Related-party name or corporate name |
|--------------------------------------|
| RAFAEL DEL PINO Y CALVO-SOTELO |
| RIJN CAPITAL B.V. |

Type of relationship: Corporate

Brief description:

By means of a price-sensitive information report filed with the CNMV (Spain's securities market regulator) on 4 August 2015 (nº 227311), the market was made aware of the communications received by the Company for immediate release: first, from its leading shareholder, Portman Baela, S.L. and its parent company, Karlovy, S.L., in relation to the sale of its entire holding in the share capital of FERROVIAL to its direct and indirect shareholders; secondly, from its shareholder Rijn Capital BV in relation to the settlement of the future sale of FERROVIAL shares and the return of the loan of securities granted in the context of that sale entered into by Rijn Capital B.V. with Mediobanca - Banca di Credito Finanziario S.p.A.; and, thirdly, from Menosmares, S.L.U., Rijn Capital B.V., Soziancor, S.L.U. and Siemprelara, S.L.U. in relation to their controlling shareholders' last holding in the share capital of FERROVIAL.

Continued in Section H.

| Related-party name or corporate name |
|--------------------------------------|
| MARÍA DEL PINO Y CALVO-SOTELO |
| MENOSMARES S.L. SOCIEDAD UNIPERSONAL |

Type of relationship: Corporate

Brief description:

See explanation in the section above.

| Related-party name or corporate name |
|---------------------------------------|
| LEOPOLDO DEL PINO Y CALVO-SOTELO |
| SIEMPRELARA S.L. SOCIEDAD UNIPERSONAL |

Type of relationship: Corporate

Brief description:

See explanation in the section above.

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 |
|--------------------------------------|
| RAFAEL DEL PINO Y CALVO-SOTELO |
| FERROVIAL, S.A. |

Type of relationship: Corporate

Brief description:

Chairman and Chief Executive Officer of Ferrovial, S.A.

| Related-party name or corporate name |
|--------------------------------------|
| MARÍA DEL PINO Y CALVO-SOTELO |
| FERROVIAL, S.A. |

Type of relationship: Corporate

Brief description:

Director of Ferrovial, S.A.

| Related-party name or corporate name |
|--------------------------------------|
| LEOPOLDO DEL PINO Y CALVO-SOTELO |
| FERROVIAL, S.A. |

Type of relationship: Corporate

Brief description:

Director of Ferrovial, S.A.

A.6. Indicate whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Spanish Limited Liability Companies Law. 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.

Yes

No

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

In a price-sensitive information report filed with the CNMV on 7 August 2015 (number 227432), the company disclosed to the market the notification received from Portman Baela, S.L. as to the cessation of the effects of the shareholder agreement regarding Ferrovial, S.A. ("Ferrovial") by reason of the sale by Portman Baela of all its 301,130,059 shares in Ferrovial to its direct and indirect shareholders Menosmares, S.L.U., Rijn Capital BV, Soziancor, S.L.U. and Siemprelara, S.L.U., and the sale by the parent company of Portman Baela, Karlovy, S.L., of all the 18,426 shares of which it was the direct holder in those same companies, as reported by Ferrovial to the CNMV in a price-sensitive information report filed on 4 August (number 227311).

Continued in Section H.

A.7 Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company in accordance with article 4 of the Securities' Market Act. If so, identify:

Yes

No

| Remarks |
|---------|
|---------|

A.8 Complete the following tables on the company's treasury stock.

At year-end:

| Number of shares held directly | Number of shares held indirectly (*) | % of total share capital |
|--------------------------------|--------------------------------------|--------------------------|
| 954,805 | 0 | 0.13% |

(*) Through:

Give details of any significant changes during the year, pursuant to Royal Decree 1362/2007.

| Explain any significant changes. |
|----------------------------------|
|----------------------------------|

On 16 January 2015 the CNMV was informed of (i) the acquisition of 886,618 direct shares by the Company, accounting for 0.12% of share capital, and (ii) the transfer of 886,618 direct shares, accounting for 0.12% of share capital.

On 8 June 2015 the CNMV was informed of (i) the acquisition of 3,956,358 direct shares and 1,084,234 indirect shares by the Company, accounting for 0.68% of share capital, and (ii) the transfer of 3,987,879 direct shares and 1,084,229 indirect shares by the Company, accounting for 0.69% of share capital.

On 15 September 2015 the CNMV was informed of (i) the acquisition of 7,581,857 direct shares by the Company, accounting for 1.03% of share capital, and (ii) the transfer of 597,523 direct shares and 5 indirect shares, accounting for 0.08% of share capital.

On 27 November 2015 the CNMV was informed of (i) the acquisition of 5,453,417 direct shares and 27,000 indirect shares by the Company, accounting for 0.74% of share capital, and (ii) the transfer of 674,282 direct shares and 27,000 indirect shares by the Company, accounting for 0.10% of share capital.

On 23 December 2015 the CNMV was informed of (i) the acquisition of 404,882 direct shares by the Company, accounting for 0.06% of share capital, and (ii) the transfer of 11,944,228 direct shares, accounting for 1.63% of share capital.

A.9. Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back and/or transfer treasury stock.

RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING OF 26 JUNE 2014

"To authorise the Board of Directors to increase share capital in accordance with article 297.1.b) of the Spanish Companies Act [Ley de Sociedades de Capital], subject to the following conditions:

1. Delegation of a 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 Meeting of the Shareholders up to a maximum amount of seventy three million three hundred and fifty-one thousand and twenty-five euros and fifty cents (€73,351,025.50), accounting for one-half of the share capital of the Company, by issuing new ordinary or preference shares, or new shares of any other type permitted by law, including redeemable shares, with or without share premium, with or without voting rights, 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 may not be 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 article of the bylaws referring to share capital.

2. Delegation of a power to disapply preferential subscription rights. Under article 506.2 and related articles of the Spanish Companies Act, the Board of Directors is hereby authorised to disapply, 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 given 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 relevant maximum amount, being a combined amount of 20% of present share capital.

If the Board decides to disapply the preferential subscription right in relation to any given issue of shares that may eventually be decided in accordance with this authorisation, it shall at the same time issue a report detailing the specific reasons of corporate interest justifying such measures, which shall be accompanied by the pertinent report by the statutory auditor referred to in article 308.2.a) of the Spanish Companies Act. These reports shall be made available to the shareholders and communicated at the first General Meeting of the Shareholders 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, where 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.

Any subsequent request to remove the securities from the stock market must be approved under the same applicable procedure(s) used to admit the securities to trading. The interests of the shareholders and/or bondholders who opposed it or abstained are protected under the terms of the current legislation. Ferrovial is bound by the existing or future laws, particularly trading laws, length-of-trading laws and laws governing exclusion from trading.

4. Article 249.2 of the Spanish Limited Liability Companies Law expressly authorises the Board of Directors to transfer the powers permitted under this article to the Executive Committee.

The powers transferred replace those agreed for transfer by the shareholders under item 5 of their agenda in the General Meeting held on 22 October 2009. This resolution is now defunct.

RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING OF 22 MARCH 2013

"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:

- Form of acquisition: by purchase or any other "inter vivos" transfer for consideration.
- 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 dependent companies, does not exceed 10% of the capital stock of Ferrovial, S.A.
- Minimum and maximum acquisition price: the minimum acquisition price of shares shall be equivalent to 75% of the market price and the maximum acquisition price shall be 120% of the market price on that same date.
- Duration of the authorisation: five (5) years from the date of this resolution.
- Use of the authorisation: the Board of Directors shall use this authorisation under the terms established in the Company's Internal Code of conduct in force at any given time.

Continued in Section H.

A.9.bis Estimated floating capital:

| | |
|----------------------------|-------|
| | % |
| Estimated floating capital | 56.46 |

A.10. Give details of any restriction on the transfer of securities or voting rights. Indicate, in particular, the existence of any restrictions on the takeover of the company by means of share purchases on the market.

Yes No

A.11. 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.12 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 the quorum required for constitution of the General Shareholders' Meeting established in the company's Bylaws. Describe how it differs from the system of minimum quorums established in the LSC.

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 LSC.

Yes No.

Describe how they differ from the rules established in the LSC.

| | Qualified majority other than that established in article 201.2 of the LSC for general cases described in 194.1 of the LSC | Other cases requiring a qualified majority |
|---|--|--|
| % set by company for adopting corporate resolutions | 50.00% | 66.66% |
| Describe the differences | | |

There are no differences from the rules under the LSC for adopting resolutions in the events listed in article 194.1 LSC in accordance with the qualified majorities prescribed by article 201.2 LSC.

For the general meeting to give instructions to the board on management matters, and for the board to seek authorisation from the general 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, if 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 Corporate Enterprises Act.

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 pre-emptive 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 holding at least fifty per cent of the subscribed capital with voting right must be present at first call in person or by proxy. At second call, shareholders representing twenty-five percent of share capital shall be sufficient.

If the capital present in person or by proxy exceeds fifty percent, it will suffice for the resolution to be carried by an absolute majority. Adoption of resolutions on any bylaw-stipulated amendments shall require a two-thirds majority of the share capital present or represented at the meeting when at second call at least twenty-five but less than fifty per cent of the subscribed capital with voting rights is in attendance.

The Corporate Enterprises Act 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 Corporate Enterprises Act).

Likewise, in order for a bylaw-stipulated amendment which directly or indirectly affects the rights of a class of shares to be valid, it must be approved by the general shareholders' meeting pursuant to the requirements established in the Corporate Enterprises Act, as well as by the majority of the shares belonging to the class affected. If the alteration affects only some of the shares of the same and, as the case may be, the only class, and entails discriminatory treatment as among shares, for the purposes of article 293 LSC 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 economic or political effect on some shares as opposed to others or on their respective holders (article 293 LSC).

B.4 Indicate the attendance figures for the General Shareholders' Meetings held during the year.

| Date of general meeting | Attendance data | | | | |
|-------------------------|-----------------------|------------|------------------|-------|--------|
| | % attending in person | % by proxy | % remote voting | | Total |
| | | | Electronic means | Other | |
| 26/06/2014 | 42.13% | 26.26% | 0.00% | 0.16% | 68.55% |
| 27/03/2015 | 0.80% | 66.96% | 0.00% | 2.69% | 70.45% |

B.5 Indicate whether the Bylaws impose any minimum requirement on the number of shares required to attend the General Shareholders' Meetings.

Yes No.

| | |
|--|-----|
| Number of shares required to attend the General Meetings | 100 |
|--|-----|

B.6 Repealed section.

B.7 Indicate the address and mode of accessing corporate governance content on your company's website as well as other information on General Meetings which must be made available to shareholders on the website.

The corporate governance content and other information on General Meetings which must be made available to shareholders on the Company's website can be accessed at www.ferrovial.com, under "Information for Shareholders and Investors", "Corporate Governance" ("<http://www.ferrovial.com/es/Accionistas-e-Inversores/Gobierno-Corporativo>").

C COMPANY MANAGEMENT STRUCTURE

C.1 Board of Directors

C.1.1 List the maximum and minimum number of directors included in the Bylaws.

| | |
|------------------------------------|----|
| Maximum number of directors | 15 |
| Minimum number of directors | 5 |

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

| Name or corporate name of director | Representative | Director category | Position on the Board | Date of first appointment | Date of last appointment | Election procedure |
|------------------------------------|----------------|-------------------|-------------------------|---------------------------|--------------------------|----------------------------|
| SANTIAGO FERNÁNDEZ VALBUENA | | Independent | DIRECTOR | 03/12/2009 | 22/03/2013 | GENERAL MEETING RESOLUTION |
| SANTIAGO BERGARECHE BUSQUET | | Independent | DEPUTY CHAIRMAN 1. | 03/12/2009 | 22/03/2013 | GENERAL MEETING RESOLUTION |
| JOAQUÍN AYUSO GARCÍA | | Other external | DEPUTY CHAIRMAN 2. | 04/03/2002 | 22/03/2013 | GENERAL MEETING RESOLUTION |
| JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS | | Independent | DIRECTOR | 27/10/2004 | 22/03/2013 | GENERAL MEETING RESOLUTION |
| MARIA DEL PINO Y CALVO-SOTELO | | Proprietary | DIRECTOR | 03/12/2009 | 22/03/2013 | GENERAL MEETING RESOLUTION |
| JUAN ARENA DE LA MORA | | Independent | DIRECTOR | 03/12/2009 | 22/03/2013 | GENERAL MEETING RESOLUTION |
| RAFAEL DEL PINO Y CALVO-SOTELO | | Executive | CHAIRMAN AND CEO | 15/07/1998 | 22/03/2013 | GENERAL MEETING RESOLUTION |
| IÑIGO MEIRÁS AMUSCO | | Executive | CHIEF EXECUTIVE OFFICER | 03/12/2009 | 22/03/2013 | GENERAL MEETING RESOLUTION |
| HOWARD LEE LANCE | | Independent | DIRECTOR | 18/12/2014 | 27/03/2015 | GENERAL MEETING RESOLUTION |
| JOAQUÍN DEL PINO Y CALVO-SOTELO | | Proprietary | DIRECTOR | 29/10/2015 | 29/10/2015 | CO-OPTATION |
| LEOPOLDO DEL PINO Y CALVO-SOTELO | | Proprietary | DIRECTOR | 29/10/2015 | 29/10/2015 | CO-OPTATION |
| ÓSCAR FANJUL MARTÍN | | Independent | DIRECTOR | 31/07/2015 | 31/07/2015 | CO-OPTATION |

| | |
|----------------------------------|----|
| Total number of directors | 12 |
|----------------------------------|----|

Indicate any Board members who left during this period.

| Name or corporate name of director | Category of the director at the time | Leaving date |
|------------------------------------|--------------------------------------|--------------|
| KARLOVY, S.L. | Proprietary | 29/10/2015 |
| PORTMAN BAELA, S.L. | Proprietary | 09/09/2015 |
| JAIME CARVAJAL URQUIJO | Independent | 30/07/2015 |

C.1.3 Complete the following tables on Board members and their respective categories.

EXECUTIVE DIRECTORS

| Name or corporate name of director | Position held in the company |
|------------------------------------|--------------------------------|
| RAFAEL DEL PINO Y CALVO-SOTELO | Chairman and Managing Director |
| IÑIGO MEIRÁS AMUSCO | Chief Executive Officer |

| | |
|--|--------|
| Total number of executive directors | 2 |
| % of the Board | 16.67% |

EXTERNAL PROPRIETARY DIRECTORS

| Name or corporate name of director | Name or corporate name of significant shareholder represented or proposing appointment |
|------------------------------------|--|
| MARIA DEL PINO Y CALVO-SOTELO | MENOSMARES S.L. SOCIEDAD UNIPERSONAL |
| JOAQUÍN DEL PINO Y CALVO-SOTELO | SOZIANCOR S.L. SOCIEDAD UNIPERSONAL |
| LEOPOLDO DEL PINO Y CALVO-SOTELO | SIEMPRELARA S.L. SOCIEDAD UNIPERSONAL |

| | |
|--|--------|
| Total number of proprietary directors | 3 |
| % of the Board | 25.00% |

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director:

SANTIAGO FERNÁNDEZ VALBUENA

Profile:

Holder of a Degree in Economics from the Universidad Complutense de Madrid and a PhD and Master's Degree in Economics from Northeastern University, Boston.

A member of the Board of Directors of Ferrovial since 2008.

Director of Telefónica, S.A. since 2012

He was Chairman of Telefónica Latinoamérica; Director-General of Strategy, Finance and Development of Telefónica; Chief Executive Officer of Société Générale Valores and Head of Equities at Beta Capital; Lecturer in Applied Economics in the Universidad Complutense and a lecturer at the Instituto de Empresa.

Name or corporate name of director:

SANTIAGO BERGARECHE BUSQUET

Profile:

Graduate in Economics and Law from Deusto University.

First Vice Chairman of the Ferrovial Group and a member of the Board of Directors since 1999. Joined Ferrovial in 1995 as Chairman of Agromán. In February 1999, after the merger of Ferrovial and Agromán, he was appointed chief executive officer of Ferrovial.

Chairman of Vocento, vice chairman of Nmás1 Dinamia, S.A., director of Maxam Corp Holding, S.L., director of Deusto Business School and trustee of the Fundación Casa Ducal de Medinaceli.

He was general manager of Banco Bilbao Vizcaya Argentaria (BBVA), chairman of Metrovacesa and chairman of Cepsa.

Name or corporate name of director:

JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS

Profile:

Graduate in Industrial Engineering from Universidad Politécnica de Barcelona. A graduate from the Harvard Business School ISMP programme. Mr Sánchez-Junco is a member of the State Corps of Industrial Engineers.

Appointed to the Board of Directors of Ferrovial in 2009. From 2004 to 2009 he served on the Board of Directors of Cintra.

Chairman and general manager of the Maxam Group.

He is the former Director-General of Iron, Steel and Naval Industries and former Director-General for Industry at the Ministry for Industry and Energy.

Name or corporate name of director:

JUAN ARENA DE LA MORA

Profile:

PhD in Engineering (ICAI); Degree in Business Studies (ICADE); Degree in Psychology; Diploma in Tax Studies and AMP (Harvard Business School).

A member of the Board of Directors of Ferrovial since 2000.

Director at Laboratorios Almirall, Everis, Meliá Hotels International y Panda; Chairman of the Advisory Boards of Consulnor and Marsh; member of the Advisory Board of Spencer Stuart, the professional board of ESADE, the European Advisory Board of Harvard Business School and of the board of UBS Bank; member of the Board of the Deusto Business School; Senior Lecturer at Harvard Business School.

He is the former CEO and Chairman of Bankinter and a Board member of TPI, Dinamia and Prisa.

Name or corporate name of director:

HOWARD LEE LANCE

Profile: Industrial Engineering graduate of the University of Bradley. Master's degree in Administration from the Krannert School of Management, Purdue University.

A member of the Board of Directors of Ferrovial since 2014.

Adviser to the Blackstone Group; President of Summit Materials, Inc. President of Emdeon, Inc.

He was the President and Chief Executive Officer of Harris Corporation, director at Stryker, Inc. and director at Eastman Chemical Company.

Name or corporate name of director:

ÓSCAR FANJUL MARTÍN

Profile:

Full Professor of Economic Theory (on sabbatical).

A member of the Board of Directors of Ferrovial since 2015.

Vice chairman of Omega Capital; director at LafargeHolcim, Marsh & McLennan Companies and Acerinox; trustee of the Fundación de Amigos del Museo del Prado, of the Centro de Estudios Monetarios y Financieros (Bank of Spain) and of the Aspen Institute (Spain).

He was the founding chairman and a former chief executive of Repsol, a former chairman of Hidroeléctrica del Cantábrico, the non-executive chairman of NH Hoteles and of Deoleo, and a director at Unilever, BBVA, London Stock Exchange and Areva.

| | |
|--|--------|
| Total number of independent directors | 6 |
| % of the Board | 50.00% |

List any independent directors who receive from the company or 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 group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship.

HOWARD LEE LANCE: Mr Lance is a director of LBJ Infrastructure Group Holding LLC, a Ferrovial group company. In this respect he was paid the amount of 31 thousand euros in 2015. The board takes the view that the amount of such remuneration is not significant for the director, and that the relationship in question is not sufficiently important to affect his independence.

SANTIAGO BERGARECHE BUSQUET Mr. Bergareche is a member of the Board of Directors of the MAXAM Group. This company supplied explosives to Ferrovial group companies in the amount of approximately €816 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

SANTIAGO BERGARECHE BUSQUET Mr Bergareche is a member of the Board of Directors of Bimarán Pozuelo, S.L. The Ferrovial group provided this company with construction services for approximately €282 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

JUAN ARENA DE LA MORA Mr. Arena is a member of the Board of Directors of Laboratorios Almirall. The Ferrovial group provided this company with waste management and collection services for approximately €8 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

JUAN ARENA DE LA MORA Mr. Arena is a member of the Board of Directors of Everis. Companies of this group provided communication services to Ferrovial group companies in the amount of €835 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

JUAN ARENA DE LA MORA Mr. Arena is a member of the Board of Directors of Meliá Hotels International. Companies of this group provided hospitality services to Ferrovial group companies in the amount of approximately €2 thousand. Ferrovial group companies provided maintenance and waste collection services to Meliá group companies for approximately EUR 92 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

JUAN ARENA DE LA MORA Mr. Arena is the Chairmen of Fundación SERES. Ferrovial is a trustee of the Foundation, to which it donated €18 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

JUAN ARENA DE LA MORA Mr. Arena is a member of the Board of Directors of PANDA. Companies of this group provided computer services in the amount of approximately €4 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

SANTIAGO FERNÁNDEZ VALBUENA Mr Fernández Valbuena is a member of the Board of Telefónica. Telefónica group companies provided telecommunication services in the amount of €19,461 thousand. Ferrovial group companies provided maintenance and waste collection services to Telefónica group companies for approximately €3,035 thousand and construction services for approximately €77 thousand, and have re-invoiced Telefónica group companies for a series of cancellation costs in the amount of approximately EUR 1,938 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 Board member.

JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS Mr. Sánchez-Junco is the Chairman and CEO of the MAXAM Group. This company supplied explosives to Ferrovial group companies in the amount of approximately €816 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

HOWARD LEE LANCE: Mr Lance is a director of Summit Materials, Inc. The company sold tools and electrical materials to Ferrovial group companies for approximately €2 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

ÓSCAR FANJUL MARTÍN Mr Fanjul is a director of Lafarge Holcim. Companies of that group sold cement to Ferrovial group companies for €8,844 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 Board member.

ÓSCAR FANJUL MARTÍN Mr Fanjul is a director of Marsh & McLennan Companies. Companies of this group provided consultancy and insurance services in the amount of approximately EUR 1,719 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

ÓSCAR FANJUL MARTÍN Mr Fanjul is a member of the Board of Directors of PANDA. Companies of this group provided computer services in the amount of approximately €4 thousand. The Board does not consider the relationship described to be sufficiently important so as to affect the independence of the Board member.

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

OTHER EXTERNAL DIRECTORS

Identify the rest of non-executive directors, list the reasons why these cannot be considered proprietary or independent directors and detail their relationships with the company, its executives or shareholders.

Name or corporate name of director

JOAQUÍN AYUSO GARCÍA

Company, executive or shareholder with whom the relationship is maintained

FERROVIAL, S.A.

Reasons

Article 529 xii.4.a) of the Spanish Limited Liability Companies Law stipulates that persons that have been employees or executive directors of group companies may under no circumstances be appointed as an independent director unless three or five years, respectively, have elapsed since the particular relationship ended. Mr. Ayuso lost his status as Executive Director on 29 November 2012.

| | |
|---|-------|
| Total number of other external directors | 1 |
| % of the Board | 8.33% |

List any changes in the category of each director which have occurred during the year:

C.1.4 Complete the following table on the number of female directors over the past four years and their category.

| | Number of female directors | | | | % of total directors of each type | | | |
|-----------------------|----------------------------|-----------|-----------|-----------|-----------------------------------|-----------|-----------|-----------|
| | Year 2015 | Year 2014 | Year 2013 | Year 2012 | Year 2015 | Year 2014 | Year 2013 | Year 2012 |
| Executive | 0 | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% | 0.00% |
| Proprietary | 1 | 1 | 1 | 1 | 8.33% | 8.33% | 8.33% | 8.33% |
| Independent | 0 | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% | 0.00% |
| Other external | 0 | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% | 0.00% |
| Total | 1 | 1 | 1 | 1 | 8.33% | 8.33% | 8.33% | 8.33% |

C.1.5 Explain the measures, if applicable, which have been adopted to ensure that there is a sufficient number of female directors on the Board to guarantee an even balance between men and women.

Explanation of measures

At its meeting of 14 December 2015, the appointments and remuneration committee decided to apply the following measures when a director selection process is set in motion:

- To include in the final shortlist of three names at least one person of the less well represented gender.
- Wherever the professional assessment of candidates is similar in terms of aptitude, competence and professional performance, to choose the candidate of the less well represented gender.
- Annually consider and adopt, if appropriate, an action plan to correct any detected shortfalls as to the composition of the board in terms of diversity.

In addition, on 15 December 2015, the board adopted the Ferrovia, S.A. director selection policy.

The policy requires that the aim is to identify candidates who provide a diversity of knowledge, experience, nationalities and gender to the board, and that any implicit bias that might imply any form of discrimination must be avoided.

In addition, it sets the target that by 2020 the number of female directors accounts for at least 30% of the entire board. For this purpose, the policy provides that instructions must be given to the external adviser who, as the case may be, assists in candidate selection to seek and present candidacies of the less well represented gender who satisfy the requirements set out in the policy.

C.1.6 Explain the measures taken, if applicable, by the Nomination Committee to ensure that the selection processes are not subject to implicit bias that would make it difficult to select female directors, and whether the company makes a conscious effort to search for female candidates who have the required profile and include them as potential candidates.

Explanation of measures

The measures described in section C.1.5, adopted by the appointments and remuneration committee, are intended to achieve these aims.

When, despite the measures taken, there are few or no female directors, explain the reasons.

Explanation of the reasons

The Board of Directors has one woman among its eleven members.

The measures referred to in section C.1.5 were adopted in December 2015. Hence, at the date of writing of this report, they have yet to be applied in practice.

In 2015, the board appointed by co-optation: (i) Joaquín del Pino y Calvo-Sotelo, as a proprietary director, on 29 October 2015; (ii) Leopoldo del Pino y Calvo-Sotelo, as a proprietary director, on 29 October 2015; and (iii) Óscar Fanjul Martín, as an independent director, on 30 July 2015.

These appointments were made in accordance with article 529 quince.3 a) LSC after assessment by the appointments and remuneration committee of the skills, aptitudes and experience necessary to the board.

As to Joaquín and Leopoldo del Pino y Calvo-Sotelo, the board thought it appropriate to maintain continuity in the composition of the board through the natural persons who, being members of the former controlling family group, have so far represented the legal-person directors Portman Baela, S.L. and Karlovy, S.L., owing to their knowledge of the operation of the Company and of the industry in which it operates.

As to Mr Fanjul Martín, the appointments and remuneration committee believed the following skills and aptitudes to be necessary: (i) experience of managing multinational company groups; (ii) experience and knowledge of accounting and account auditing; (iii) knowledge of the main geographies in which the Company operates; and (iv) experience and knowledge of business management and strategy. All these skills and aptitudes are provided by Óscar Fanjul Martín, for which reason the committee proposed that he be appointed as an independent director.

C.1.6.bis Explain the Nomination Committee's conclusions on the checks carried out to ensure that the director selection policy is being complied with. Particularly whether the policy pursues the goal of having at least 30% of total board places occupied by women Directors before the year 2020.

| |
|-----------------------------------|
| Explanation of conclusions |
|-----------------------------------|

The Company's director selection policy, adopted by the board on 15 December 2015, has not been verified by the appointments and remuneration committee in that year. Such verification is scheduled for 2016.

C.1.7 Explain how shareholders with significant holdings are represented on the Board.

Rafael del Pino y Calvo-Sotelo, María del Pino y Calvo-Sotelo and Leopoldo del Pino y Calvo-Sotelo, at 31 December 2015 were directors and were also the indirect holders of significant shareholdings in the Company's capital.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 3% of the share capital.

Name or corporate name of shareholder:

JOAQUÍN DEL PINO Y CALVO-SOTELO

Reason:

At the time of his appointment he was, through Soziancor, S.L.U. and as an individual, the holder of a 2.524% share of the Company's capital.

In addition, with his sister María, he was jointly and indirectly the holder, through Casa Grande de Cartagena, S.L.U., of 1.209% of share capital. Mr Joaquín del Pino's ownership interest in the Company was in excess of 3% of 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 whether any director has resigned from office before their term of office has expired, whether that director has given the Board their reasons and through which channel. If made in writing to the full Board, list below the reasons given by that director.

Name of director

JAIME CARVAJAL URQUIJO

Reason for resignation:

Jaime Carvajal Urquijo stepped down as director on 30 July 2015. As stated at the board meeting held on that same day, all directors being present, his resignation reflected a desire to contribute to the renovation of the board, having been a member for 16 years. This was recorded in the minutes of the board meeting of 30 July 2015 and notified by means of a price-sensitive information report filed with the CNMV on that same day (registry no. 227069).

Name of director

PORTMAN BAELA, S.L.

Reason for resignation:

On 9 September 2015 there was entered in the companies registry the notarial instrument of dissolution and liquidation of Portman Baela, S.L., with the consequent extinction of its legal personality. This was notified by means of a price-sensitive information report filed with the CNMV on 15 September 2015 under registry no. 228289.

Name of director

KARLOVY, S.L.

Reason for resignation:

Karlovy S.L. resigned as a director on 29 October 2015. As announced at the board meeting on that same day, all directors being present, such resignation was a consequence of the transfer of its entire shareholding in the capital of Ferrovial S.A. This was recorded in the minutes of the board meeting of 29 October 2015 and notified by means of a price-sensitive information report filed with the CNMV on that same day (daybook entry 230276).

C.1.10 Indicate what powers, if any, have been delegated to the Chief Executive Officer(s).

Name or corporate name of director

RAFAEL DEL PINO Y CALVO-SOTELO

Brief description:

All powers except those that cannot, under the law or the Company's Bylaws, be so delegated.

Name or corporate name of director

IÑIGO MEIRÁS AMUSCO

Brief description:

All powers except those that cannot, under the law or the Company's Bylaws, be so delegated.

C.1.11 List the directors, if any, who hold office as directors or executives in other companies belonging to the listed company's group:

| Name or corporate name of director | Corporate name of the group entity | Position | Does he/she have executive functions? |
|------------------------------------|---|----------------------------------|---------------------------------------|
| JOAQUÍN AYUSO GARCÍA | AUTOPISTA DEL SOL, S.A. | Chairman | NO |
| IÑIGO MEIRÁS AMUSCO | FERROVIAL AGROMAN, S.A. | Chairman | NO |
| IÑIGO MEIRÁS AMUSCO | FERROVIAL SERVICIOS, S.A. | Chairman | NO |
| IÑIGO MEIRÁS AMUSCO | FERROVIAL AEROPUERTOS ESPAÑA, S.A. | Chairman | NO |
| IÑIGO MEIRÁS AMUSCO | FERROVIAL FISA, S.L. | Chairman | NO |
| IÑIGO MEIRÁS AMUSCO | FERROVIAL INTERNACIONAL, S.L.U. | Chairman and Managing Director | YES |
| IÑIGO MEIRÁS AMUSCO | CINTRA INFRAESTRUCTURAS S.E. SOCIEDAD UNIPERSONAL | Chairman | NO |
| IÑIGO MEIRÁS AMUSCO | CINTRA INFRAESTRUCTURAS ESPAÑA S.L. | Chairman | NO |
| IÑIGO MEIRÁS AMUSCO | FERROVIAL INTERNATIONAL LTD | Chief Executive Officer | YES |
| HOWARD LEE LANCE | LBJ INFRASTRUCTURE GROUP HOLDING LLC | Director | NO |
| IÑIGO MEIRÁS AMUSCO | FGP TOPCO LTD | Alternate Director for Jorge Gil | NO |

C.1.12 List any of the Board members at your company who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company.

| Name or corporate name of director | Corporate name of the group entity | Position |
|------------------------------------|-------------------------------------|-----------------|
| SANTIAGO FERNÁNDEZ VALBUENA | TELEFÓNICA BRASIL, S.A. | DEPUTY CHAIRMAN |
| SANTIAGO FERNÁNDEZ VALBUENA | TELEFÓNICA, S.A. | DIRECTOR |
| SANTIAGO BERGARECHE BUSQUET | VOCENTO, S.A. | CHAIRMAN |
| SANTIAGO BERGARECHE BUSQUET | NMAS1 DINAMIA S.A. | DEPUTY CHAIRMAN |
| JOAQUÍN AYUSO GARCÍA | NATIONAL EXPRESS GROUP, PLC | DIRECTOR |
| JOAQUÍN AYUSO GARCÍA | BANKIA, S.A. | DIRECTOR |
| JUAN ARENA DE LA MORA | ALMIRALL, S.A. | DIRECTOR |
| JUAN ARENA DE LA MORA | MELIÁ HOTELS INTERNATIONAL, S.A. | DIRECTOR |
| RAFAEL DEL PINO Y CALVO SOTELO | ZURICH INSURANCE GROUP | DIRECTOR |
| JOAQUÍN AYUSO GARCÍA | HISPANIA ACTIVOS INMOBILIARIOS S.A. | DIRECTOR |
| ÓSCAR FANJUL MARTÍN | ACERINOX | DIRECTOR |
| ÓSCAR FANJUL MARTÍN | MARSH & MCLENNAN COMPANIES, INC. | DIRECTOR |
| ÓSCAR FANJUL MARTÍN | LAFARGEHOLCIM LTD | DIRECTOR |

C.1.13 Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its directors may sit.

Yes

No

C.1.14 Section revoked.

C.1.15 List the total remuneration paid to the Board of Directors in the year.

| | |
|---|--------|
| Board remuneration (thousands of euros) | 16,025 |
| Amount of pension rights accumulated by current directors (thousands of euros) | 0 |
| Amount of pension rights accumulated by former directors (thousands of euros) | 16,025 |

C.1.16 List any members of senior management who are not executive directors and indicate total remuneration paid to them during the year.

| Name or corporate name | Position |
|--|--|
| ÁLVARO ECHÁNIZ URCELAY | GENERAL MANAGER, REAL ESTATE |
| JUAN FRANCISCO POLO MARTÍN | HEAD OF COMMUNICATION AND CORPORATE RESPONSIBILITY |
| ALBERTO FERREIRO PRADO | HEAD OF INTERNAL AUDIT |
| FEDERICO FLÓREZ GUTIÉRREZ | GENERAL MANAGER, IT SYSTEMS AND INNOVATION |
| ERNESTO LÓPEZ MOZO | CHIEF FINANCIAL OFFICER |
| ENRIQUE DÍAZ-RATO REVUELTA | MANAGING DIRECTOR OF MOTORWAYS |
| SANTIAGO ORTIZ VAAMONDE | GENERAL SECRETARY |
| JORGE GIL VILLÉN | MANAGING DIRECTOR OF AIRPORTS |
| SANTIAGO OLIVARES BLÁZQUEZ | MANAGING DIRECTOR OF SERVICES |
| ALEJANDRO DE LA JOYA RUÍZ DE VELASCO | MANAGING DIRECTOR OF CONSTRUCTION |
| MARÍA TERESA PULIDO MENDOZA | DIRECTOR OF CORPORATE STRATEGY |
| MARÍA DIONIS TRENOR | GENERAL MANAGER, HUMAN RESOURCES |
| Total remuneration received by senior management (thousands of euros) | 19,703 |

C.1.17 List, if applicable, the identity of those directors who are likewise members of the boards of directors of companies that own significant holdings and/or group companies.

| Name or corporate name of director | Name or corporate name of significant shareholder | Position |
|---|--|--------------------|
| MARIA DEL PINO Y CALVO-SOTELO | MENOSMARES S.L. SOCIEDAD UNIPERSONAL | SOLE ADMINISTRATOR |
| RAFAEL DEL PINO Y CALVO-SOTELO | RIJN CAPITAL B.V. | DIRECTOR |
| RAFAEL DEL PINO Y CALVO-SOTELO | KARLOVY, S.L. | CHAIRMAN |
| RAFAEL DEL PINO Y CALVO-SOTELO | CRIU S.L. SOCIEDAD UNIPERSONAL | SOLE ADMINISTRATOR |
| RAFAEL DEL PINO Y CALVO-SOTELO | LOS ESTANQUILLOS S.L. | SOLE ADMINISTRATOR |
| LEOPOLDO DEL PINO Y CALVO-SOTELO | SIEMPRELARA S.L. SOCIEDAD UNIPERSONAL | SOLE ADMINISTRATOR |

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies.

C.1.18 Indicate whether any changes have been made to the Board regulations during the year.

Yes

No.

| Description of amendments |
|---------------------------|
|---------------------------|

Most articles of the board regulations were extensively modified. That modification was resolved at the meeting of the board of 29 October 2015. That modification was made in furtherance of one of the following objectives:

- (i) to adapt the regulations to the new wording of the LSC introduced by Ley 31/2014, a statute amending the Spanish Companies Act to improve corporate governance;
- (ii) to introduce certain recommendations set out in the Code of Good Governance for Listed Companies; and
- (iii) other alterations, including technical, systematic and drafting improvements.

C.1.19 Indicate the procedures for appointing, re-electing, evaluating and removing directors. List the competent bodies, procedures and criteria used for each of these procedures.

Composition of the Board

The Bylaws and Regulations of the Board of Directors require the Board to do its utmost to ensure that external or Non-Executive Directors form an ample majority of Board members. The Board shall also seek to ensure that the group of external directors forming a majority of Board members includes Proprietary and Independent Directors, with the latter making up a significant proportion of the group. Independent Directors should, in any event, represent at least one third of all Board members.

Selection of Directors

The remit of the appointments and remuneration committee includes the assessment of the skills, knowledge and experience that are necessary to the board. It must define the necessary functions and aptitudes that candidates must satisfy for each vacancy and evaluate the time and dedication required for their duties to be effectively performed.

Appointments and re-appointments of directors first require:

- A recommendation from the appointments and remuneration committee in the case of an Independent Director.
- A prior report from that committee in the case of other directors.
- At all events the board must issue a report on the competence, experience and merits of the proposed candidate.

The board regulations provide that any board member may propose potential candidates for board vacancies to the appointments and remuneration committee.

In addition, on 15 December 2015, the board adopted the Company's director selection policy. The policy prescribes that the director selection process must achieve the right balance on the board to enrich discussion and decision-making by providing a plurality of points of view. Specifically, the policy requires that the aim is to identify candidates who provide a diversity of knowledge, experience, nationalities and gender to the board, and that any implicit bias that might imply any form of discrimination must be avoided. The policy further provides that the Company may enlist the services of an external adviser in director selection procedures. Finally, the policy lists a range of requirements which the Company must consider, among others, when selecting candidates for directorships.

The Regulations of the Board of Directors do not specify any particular qualification or requirement for appointment as Chairman of the Board.

The Regulations 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, alongside refresher programmes when circumstances so dictate.

Term of office

Under the Bylaws and the Regulations of the Board of Directors, Directors shall hold office for a period of three years and may be reappointed.

Appointments to the posts of Chief Executive Officer and Secretary to the Board, and membership of the Advisory Committees. The Nomination and Remuneration Committee is required to:

- Submit a prior report on the appointment of the Chief Executive Officer and Secretary to the Board.
- Propose Board members to sit on Board Committees. Evaluation of the Board of

Directors

The Board of Directors in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct any deficiencies detected in:

- a) The quality and efficiency of its operations.
- b) The performance and membership of its committees.
- c) The diversity of board membership and competences.
- d) The performance of the Chairman of the Chief Executive Officer of the Company.
- e) The performance and contribution of individual Directors, with particular attention paid to the chairmen of the various Board Committees.

The results of the assessment will be recorded in the minutes of the session or appended to them.

The evaluation of the various Board Committees should start from the reports they send the Board of Directors, while that of the board itself should start from the report of the Appointments and Remuneration Committee.

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

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.

The Chairperson of the Board of Directors will organise and coordinate the periodic evaluation of the Board, if deemed necessary with the assistance of the Chairperson of the Appointments and Remuneration Committee.

Removal of Directors

The Board should not propose the removal of Independent Directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board, based on a report from the Appointments and Remuneration Committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

Continued in Section H.

C.1.20 Explain to what extent this annual evaluation of the board has prompted significant changes in its internal organisation and the procedures applicable to its activities:

| Description of amendments |
|---------------------------|
|---------------------------|

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

Notwithstanding this, based on the conclusions and recommendations of the external consultant who assisted with the evaluation process:

- the role of Lead Director has been reinforced, attributing to the article in the Regulations of the Board of Directors new responsibilities in accordance with recommendation 34 of the Code of Good Governance;
- article 28 of the Regulations of the Board of Directors has been modified to cater for the Company establishing refresher programmes intended for Directors when circumstances so dictate.

C.1.20.bis Describe the evaluation process and the areas assessed as performed by the board of directors engaged, where applicable, by an external consultant, with regard to the diversity of its composition and responsibilities, the operation and composition of its committees, the performance of the Chairman of the Board of Directors and of the company's chief executive and the performance and contribution of each director.

In the evaluation process under examination, with regard to the Board of Directors: (i) its composition; (ii) its structure and the dynamic of its meetings; (iii) its action in relation to the Company strategy; (iv) its action in relation to shareholders and stakeholders; (v) its action in relation to management supervision and control; and (vi) its action in relation to the Company executives.

The business and the internal dynamic of the Executive Committee, the Audit and Control Committee and the Appointments and Remuneration Committee have also be evaluated (composition, development of their function, information provided and actions of their Chairperson). In addition to this process, the Audit and Control Committee and the Appointments and Remuneration Committee draft an annual report on their operations.

C.1.20.ter Breakdown, if applicable, of business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group.

Business relationships have consisted of the performance of the evaluation of the Board of Directors, as well as the evaluation of a professional in one of the group's companies.

C.1.21. Indicate the cases in which directors must resign.

Rules have been laid down for Director resignations. The Regulations of the Board of Directors provide a set of circumstances in which Directors are required to offer their resignations to the Company and, if considered appropriate by the Company, to formally resign. In addition to termination of a Director's appointment at the end of their term of office or when the General Meeting so decides, the Regulations provide the following grounds for termination:

- In the case of an Executive Director, where the Board of Directors considers it appropriate.
- With regard to Proprietary Directors, when a shareholder they represent disposes of their ownership interest in its entirety. Directors must also resign from office, in a suitable number, if such shareholding is reduced to a level that requires a reduction in the number of Proprietary Directors.
- When they are in any situation giving rise to a conflict of interest or otherwise prohibiting them from holding office, whether provided for by law or by Company Regulations.
- At the Board's request, because the Director has seriously breached his/her obligations.
- Where the Director could, by continuing to serve as a member of the Board, place the interests of Ferrovial in jeopardy.
- On reaching the age of 72 years.
- If there is a significant change in their employment situation or in the conditions relevant to their appointments as Directors.
- When his/her continuing on the board might, in the board's view, harm the company's image and reputation. In particular, if any legal proceedings or hearings are entered into against the director for an offence specified under corporate legislation, the Board shall examine the matter as promptly as possible and, based on the particular circumstances, decide whether or not the Director should continue in their position. This decision should be disclosed in the Company's Annual Corporate Governance Report.

With regard to Independent Directors, the Regulations of the Board of Directors state that the Board will not ask 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 recommendation has been received from the Appointments and Remuneration Committee. In particular, just cause will be presumed when an Independent Director takes up new posts or responsibilities that prevent him/her from allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties, raise conflicts of interests, or come under one of the disqualifying grounds for classification as independent enumerated 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.

C.1.22 Section revoked.

C.1.23 Are qualified majorities other than those prescribed by law required for any type of decision?

Yes

No.

If applicable, describe the differences.

| Description of differences |
|----------------------------|
|----------------------------|

| |
|--|
| An amendment to the Board Regulations requires the agreement of the majority of the members of the Board of Directors. |
|--|

C.1.24 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman.

Yes

No

C.1.25 Indicate whether the Chairman has the casting vote.

Yes

No.

| |
|--|
| Matters where the Chairman has the casting vote |
|--|

In a vote on any matter on which there is a tie, the Chairman's vote will be decisive.

C.1.26 Indicate whether the Bylaws or the Board regulations set any age limit for directors.

Yes

No.

Age limit for Chairman 72 years

Age limit for CEO 72 years

Age limit for directors 72 years

C.1.27 Indicate whether the Bylaws or the Board regulations set a limited term of office for independent directors.

Yes

No

C.1.28 Indicate whether the Bylaws or the Board regulations stipulate specific rules on appointing a proxy to the Board, the procedures thereof and, in particular, the maximum number of proxy appointments a director may hold. Also indicate whether there are any limitations with regard to the categories in which it is possible to delegate, beyond the limitations imposed by legislation. If so, give brief details.

In accordance with the Board Regulations, 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 of representation shall be communicated to the Chairperson or the Secretary of the Board. A single Director may hold more than one delegation. Non-Executive Directors may only delegate their representation to another Non-Executive Director.

C.1.29 Indicate the number of Board meetings held during the year and how many times the Board has met without the Chairman's attendance. Attendance will also include proxies appointed with specific instructions.

| | |
|--|---|
| Number of Board meetings | 6 |
| Number of Board meetings held without the Chairman's attendance | 0 |

If the Chairperson is an Executive Director, please indicate the number of meetings held, without attendance or representation of any executive director and under the chairmanship of the Lead Director.

| | |
|---------------------------|---|
| Number of meetings | 0 |
|---------------------------|---|

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

| Committee | No. of meetings |
|--|-----------------|
| EXECUTIVE COMMITTEE | 9 |
| AUDIT AND CONTROL COMMITTEE | 5 |
| AUDIT AND CONTROL COMMITTEE | 5 |
| APPOINTMENTS AND REMUNERATIONS COMMITTEE | 5 |

C.1.30 Indicate the number of Board meetings held during the year with all members in attendance. Attendance will also include proxies appointed with specific instructions.

| | |
|--|--------|
| Number of meetings with the attendance of all directors | 5 |
| % of attendances of the total votes cast during the year | 98,61% |

C.1.31 Indicate whether the consolidated and individual financial statements submitted for authorisation for issue by the Board are certified previously.

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 | Positio |
|--------------------------------|------------------------------------|
| ERNESTO LÓPEZ MOZO | CHIEF FINANCIAL OFFICER |
| RAFAEL DEL PINO Y CALVO-SOTELO | CHAIRMAN OF THE BOARD OF DIRECTORS |
| IÑIGO MEIRÁS AMUSCO | CHIEF EXECUTIVE OFFICER |

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being laid before the General Shareholders' Meeting with a qualified Audit Report.

Article 8.2 a) of the Board Regulations states that among the responsibilities allocated to it is to arrange for the annual accounts to be presented before the Annual General Meeting, without limitation or qualifications in the auditor's report.

With regard to the Audit and Control Committee, article 21.I.b) of the Board Regulations allocates the responsibility and assurance that the Board of Directors can present the company's accounts to the Annual General Meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the Chairperson of the Committee and the auditors should give a clear account to shareholders of the scope and content of the limitations or qualifications.

C.1.33 Is the Secretary of the Board also a director?

Yes No

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

| Name or corporate name of secretary | Representative |
|-------------------------------------|----------------|
| SANTIAGO ORTIZ VAAMONDE | |

C.1.34 Section revoked.

C.1.35 Indicate and explain, where applicable, the mechanisms implemented by the company to preserve the independence of the auditor, financial analysts, investment banks and rating agencies.

Independence of external auditors

Among the functions of the Audit and Control Committee are those of (i) raising proposals for selection, appointment, re-election and substitution of the statutory auditor before the Board of Directors; (ii) proposing the scope of the work to be performed by the statutory auditor before the Board; (iii) ensuring that the remuneration of the statutory auditor does not compromise their quality or independence; and (iv) ensuring that the Company and the statutory auditor respect the applicable standards on the provision of services aside from auditing, the boundaries of business concentration of the auditor, and more generally other standards relating to the independence of auditors.

The Committee must receive, on an annual basis, written confirmation from the auditor of their independence with respect to the Company or entities directly or indirectly connected to the Company, as well as information on any type of additional services provided to these entities by this auditor along with any fees received from these entities by the aforesaid auditor, or by persons or entities related to this latter pursuant to the provisions of legislation covering the auditing of accounts. The Committee issues annually, prior to the issuing of the external auditor's report, a report expressing an opinion on the independence of the external auditor. In all cases, this report must include the valuation of the provision of additional services as related in the above section, broken down individually and as a whole, aside from the legal audit and in relation to the independence or regulatory auditing standards.

Under the Company's internal procedures, the Finance Department is responsible for advising on the engagement of external auditors for due diligence reviews when a new company is to be acquired or for other special engagements requiring the intervention of external auditors.

The Company has an internal procedure in place under which the engagement of any professional consultancy or advisory services from auditing firms or other organisations related thereto or that belong to the same network, regardless of whether or not any of these firms have at the time been engaged to review the consolidated or individual financial statements of Ferrovial S.A. or any company in its group, must have first been authorised either by the Audit and Control Committee or by the Finance Department, depending on whether or not the cost of the services exceeds a certain amount. Furthermore, the Audit and Control Committee periodically receives a summary of all employment commitments actually made and an estimate of the costs to be incurred in the rest of the year.

The Appointments and Remuneration Committee established that the General Human Resources Department is the most appropriate internal structure for taking measures to ensure that Ferrovial does not employ any staff or senior managers who have carried out research on the Company or the Company's subsidiaries whose shares are listed on any stock exchange, or that have worked for a rating agency within a period of two years after they have left the rating agency. To these ends, there is an internal procedure dated 1 April 2008.

C.1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor.

Yes No

Explain any disagreements with the outgoing auditor and the reasons for the same.

C.1.37 Indicate whether the audit firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group.

Yes No.

| | Company | Group | Total |
|---|---------|--------|--------|
| Amount of non-audit work (in thousands euros) | 46 | 553 | 599 |
| Amount of non-audit work as a % of the total amount billed by the audit firm | 58.44% | 10.75% | 11.46% |

C.1.38 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

Yes

No

C.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. 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.

| | Company | Group |
|--|---------|--------|
| Number of consecutive years | 6 | 6 |
| Number of years audited by current audit firm/Number of years the company's financial statements have been audited (%) | 45.60% | 45.60% |

C.1.40 Indicate and give details of any procedures through which directors may receive external advice:

Yes

No.

Procedures

Under the Regulations of the Board of Directors, Directors are at liberty to approach any member of Senior Management for information and should inform the Company Chairman when doing so. They are also free to ask the Chairman, the Deputy Chairman, the Chief Executive Officer and the Secretary to the Board for any other or further information they may reasonably require about the Company.

Similarly, to help Directors in performing their duties, the Regulations of the Board of Directors also provide that Directors may request that legal, accountancy, financial or other expert advisors be engaged at the Company's expense to provide assistance on particular issues where these are of a certain importance or complexity. Any such request should be made to the Chairman of the Company and may only be rejected by the Board in certain limited cases.

C.1.41 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

Once a year the Board of Directors draws up a schedule of dates and topics for meetings scheduled to take place during the following year.

The meetings of the Board of Directors are convened by any written method, including electronic mail, personally addressed to each Director with a notice period of at least forty-eight hours. The agendas of board meetings should clearly indicate on which points the Board of Directors must arrive at a decision or agreement.

The Regulations of the Board allocate the Secretary with the function of assisting the Chairperson so that Directors receive information relevant to the performance of their functions with sufficient notice and in the correct format.

As well as this, the Regulations of the Board of Directors state that Directors are at liberty to directly approach any member of Senior Management for information and should inform the Company Chairman when doing so. They are also free to ask the Chairman, the Deputy Chairman, the Chief Executive Officer and the Secretary to the Board for any other or further information they may reasonably require.

C.1.42 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the Board of any circumstances that might harm the company's name or reputation, tendering their resignation as the case may be.

Yes

No.

| Details of rules |
|------------------|
|------------------|

Under the Regulations of the Board of Directors, Directors are required to tender their resignation to the Board in the following cases:

When they are in any situation giving rise to a conflict of interest or otherwise prohibiting them from holding office, whether provided for by law or by company regulations.

At the Board's request, because the Director has seriously breached his/her obligations.

Where the Director could, by continuing to serve as a member of the Board, place the interests of Ferrovial in jeopardy.

When his/her continuing on the board might, in the board's view, harm the company's image and reputation. In particular, if any legal proceedings or hearings are entered into against the director for an offence specified under corporate legislation, the Board shall examine the matter as promptly as possible and, based on the particular circumstances, decide whether or not the Director should continue in their position. This decision should be fully disclosed in the Company's annual corporate governance report.

If there is a significant change in their employment situation or in the conditions relevant to their appointments as Directors.

The Regulations of the Board of Directors also require Directors to inform the Company of any criminal or other proceedings taken against them, as well as any subsequent trials.

C.1.43 Indicate whether any director has notified the company that they have been indicted or tried for any of the offences stated in article 213 of the Spanish Limited Liability Companies Law.

Yes

No

Indicate whether the Board of Directors has examined this matter. If so, provide a justified explanation of the decision taken as to whether or not the director should continue to hold office or, if applicable, detail the actions taken or to be taken by the Board.

C.1.44 List the significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

Ferrovial has had a Multicurrency Revolving Facility Agreement with certain financial institutions since April 2014. It 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 gain ownership of 50% or more of the shares or voting rights of Ferrovial or appoints 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 January and May 2013, Ferrovial Emisiones, S.A., a wholly-owned subsidiary of Ferrovial, S.A., completed two note issues maturing in 2018 and 2021, respectively, admitted for trading on the London Stock Exchange, guaranteeing Ferrovial, S.A. among others. In July 2014, Ferrovial Emisiones, S.A. issued bonds on the AIAF market secured by Ferrovial, S.A., maturing in 2024. Section 7(c) of the Terms and Conditions contained in the three prospectuses includes as grounds for total or partial early redemption, at the noteholders choice, the occurrence of a change in control of Ferrovial, S.A. under the terms established in the aforementioned section, i.e., in the event that a person or persons unrelated to the current majority shareholder acquires control of more than 50% of the voting rights in the General Shareholders' Meeting or the right to appoint the majority of the members of the Board of Directors which, furthermore, gives rise to the loss or drop in Ferrovial, S.A.'s rating.

The Company and its group are 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.1.45 Identify, in aggregate form and provide detailed information on agreements between the company and its officers, executives and employees that provide indemnities for the event of resignation, unfair dismissal or termination as a result of a takeover bid or other.

Number of beneficiaries: 1

Type of beneficiary:

Senior executives

Description of the Agreement:

Maximum of two annual payments in the case of unfair dismissal

Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group.

| | Board of Directors | General Shareholders' Meeting |
|--------------------------|--------------------|-------------------------------|
| Body authorising clauses | No | No |

| | Yes | No |
|--|-----|----|
| Is the General Shareholders' Meeting informed of such clauses? | | X |

C.2 Board committees

C.2.1 Give details of all the Board committees, their members and the proportion of executive, proprietary, independent and other external directors.

EXECUTIVE COMMITTEE

| Name | Position | Category |
|----------------------------------|----------|----------------|
| RAFAEL DEL PINO Y CALVO-SOTELO | CHAIRMAN | Executive |
| SANTIAGO BERGARECHE BUSQUET | DIRECTOR | Independent |
| JOAQUÍN AYUSO GARCÍA | DIRECTOR | Other external |
| IÑIGO MEIRÁS AMUSCO | DIRECTOR | Executive |
| MARIA DEL PINO Y CALVO-SOTELO | DIRECTOR | Proprietary |
| JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS | DIRECTOR | Independent |
| ÓSCAR FANJUL MARTÍN | DIRECTOR | Independent |

| | |
|-------------------------------|--------|
| % of executive directors | 29.00% |
| % of proprietary directors | 14.00% |
| % of independent directors | 43.00% |
| % of other external directors | 14.00% |

Explain the functions allocated to this committee. Describe the procedures and rules of organisation and operation of the committee and summarise its most significant actions over the financial year.

The executive committee of the Company has been delegated with all the functions allocated to it by the Board of Directors, except for this which under the law or the Bylaws cannot be delegated.

Operations

The Rules and Regulations of the Board of Directors stipulate that:

The Executive Committee shall ordinarily meet once a month and, in addition, and as many times as it is called by the Chairperson, for the proper operation of the Company.

The notice for Executive Committee meetings shall be carried out by any written method addressed personally to each member, with a notice period of at least one day prior to the date of the meeting, except in the event of extraordinary circumstances as decided up by the Chairperson, in which case the Executive Committee may be convened without said notice.

The Executive Committee shall be validly held when more than one-half of its members are present in person or represented.

The Chair of the Board of Directors will act as Chair of the Executive Committee and its secretary will be the Secretary of the Board. In the absence of the Chairperson, their functions will be carried out by the Deputy Chairperson, if they are part of the Committee, and failing this by the Director appointed by the Committee.

Resolutions shall be adopted by absolute majority vote of those in attendance. The Chairperson 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 to familiarise them with the agenda that was discussed and the decisions reached on each item.

In all the rest, the Executive Committee is governed, where applicable, by the rules applicable to the Board of Directors established in the Corporate Bylaws and in the Board Regulations.

Most important actions

The Executive Committee monitors the development of the main business indicators and the ongoing operations of Ferrovial. Similarly, it agreed the performance of the reduction of capital, as approved by the General Assembly held on 27 March 2015 under point eight of the agenda.

Indicate whether the executive or delegated composition of the Executive Committee reflects the participation within the board of the different types of directors:

Yes

No.

AUDIT AND CONTROL COMMITTEE

| Name | Position | Category |
|-----------------------------|-----------------|-----------------|
| SANTIAGO FERNÁNDEZ VALBUENA | CHAIRMAN | Independent |
| JUAN ARENA DE LA MORA | DIRECTOR | Independent |
| JOAQUÍN AYUSO GARCÍA | DIRECTOR | Other external |
| SANTIAGO BERGARECHE BUSQUET | DIRECTOR | Independent |

| | |
|--------------------------------------|--------|
| % of proprietary directors | 0.00% |
| % of independent directors | 75.00% |
| % of other external directors | 25.00% |

Explain the functions allocated to this committee. Describe the procedures and rules of organisation and operation of the committee and summarise its most significant actions over the financial year.

The Corporate Bylaws and the Regulations of the Board of Directors allocate the following responsibilities to the Audit and Control Committee:

In relation to with the statutory auditor:

- Raise proposals for selection, appointment, re-election and substitution of the statutory auditor to the Board of Directors, alongside the conditions for their appointment, regularly reviewing this information with regards to the audit and its performance, as well as maintaining its independence in the performance of its functions.
- The Audit Committee shall act as a communication channel between the Board of Directors and the Statutory Auditor. It will receive this regular information from the Board about its work and assess the results of each audit and the responses of the management team to the audit recommendations.
- Ensure that the Company and the statutory auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.
- Issue a report on the independence of the statutory auditor, which will be published on the Company website with sufficient notice prior to the Ordinary General Meeting of the Company. Ensure that the remuneration of the auditor does not compromise its quality or independence.
- Perform an assessment of the service provided by the statutory auditor every five years to verify the quality.

In the area of Internal Audit:

- Proposing the selection, appointment, re-election or withdrawal of the manager responsible for internal audit.
- Ensure the independence of the manager responsible for the internal audit; ensure they have the human, technical and material resources necessary to perform their functions, and to this end, put forward a budget.
- Receive regular information about the activities of the internal audit department; approve, through a presentation made by the manager responsible for the internal audit, its priorities and plans, ensuring that it is focusing on the main risks the Company is exposed to; check the fulfilment of the internal audit plan; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

In the area of financial reporting:

- Monitor the preparation, presentation and integrity of the financial information prepared on the Company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- To report to the Board, in advance of the approval by it, regarding the regulated financial information that the Company must periodically make available to the markets, investors or authorities in accordance with the applicable standards.
- Supervise the effective internal control of the Company and debate with the auditor the significant weaknesses of the internal control system as detected in the audit.

In the area of risk control:

- Supervise the effectiveness of the risk management systems.
- Regularly supervise and review the main business risks, as well as the systems established for their identification, management and control.

On other matters:

- Supervise the fulfilment of the cooperative governance standard and its conduct in the securities markets. In particular, report on the operations of the Company with the Directors or Relevant Persons, drawing up a report on this to be published on the Company website sufficiently in advance of the Ordinary General Meeting of the Company.
- Establish and supervise a whistleblowing system, managed by the manager responsible for the internal audit, enabling any employee or third party, via the Internet, to communicate any irregularities and potential transgressions, especially financial and accounting, to be notified within Ferrovial.
- Notify, in advance, the Board of Directors on all the subjects set out in the legislation, the Bylaws and the Regulations of the Board, especially on: (i) the creation or acquisition of shareholdings in special purpose entities or entities domiciled in countries or territories that are considered to be tax havens; and (ii) transactions with relevant parties.
- Coordinate non-financial reporting processes in accordance with applicable legislation and international benchmarks.

Continued in Section H.

Identify the board member of the Audit Committee designated with regard to their knowledge and experience in accounting, auditing or both matters. Draw up a report on the number of years that the Chairperson for this committee has been in their post.

| | |
|--|-----------------------------|
| Name of director with experience | SANTIAGO FERNÁNDEZ VALBUENA |
| Number of years that the chairperson has been in their post | 0 |

APPOINTMENTS AND REMUNERATIONS COMMITTEE

| Name | Position | Category |
|----------------------------------|-----------------|-----------------|
| SANTIAGO BERGARECHE BUSQUET | CHAIRMAN | Independent |
| JUAN ARENA DE LA MORA | DIRECTOR | Independent |
| JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS | DIRECTOR | Independent |
| SANTIAGO FERNÁNDEZ VALBUENA | DIRECTOR | Independent |

| | |
|--------------------------------------|-------|
| % of proprietary directors | 0.00% |
| % of independent directors | 0.00% |
| % of other external directors | 0.00% |

Explain the functions allocated to this committee. Describe the procedures and rules of organisation and operation of the committee and summarise its most significant actions over the financial year.

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

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

- Evaluate the competencies, knowledge and experience required of the Board of Directors. To this end, it will define the duties and the aptitudes needed of the applicants to fill each vacancy, evaluating the time and dedication needed for them to properly carry out their commitments.
- Establish a representational objective for the least represented gender in the Board of Directors and draw up guidelines on how to achieve this objective.
- 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.
- Submit proposals to appoint the remaining 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.
- Complete proposals for the appointment of natural persons to represent a legal entity Director.
- Provide information on the appointment of the Chairperson and the Deputy Chairpersons of the Board of Directors, the Secretary and the Deputy Secretary of the Board of Directors.
- Propose members to form part of each of the Committees, taking into consideration the knowledge, skills and experience of the directors and the requirements of each committee.
- Propose the appointment of a Lead Director.

In relation to the remuneration of Directors and Senior Officers:

- To propose to the Board of Directors the general remuneration policy for Directors and Senior Officers.
- Propose the individual remuneration and other contractual conditions of Executive Directors, ensuring that these are observed.
- Propose standard conditions for senior officer employment contracts.
- Monitor compliance with the remuneration policy set by the Company.
- Periodically review the remuneration policy for Directors and senior officers, 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 officers in the company.
- Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.

In relation to the appointment of senior officers and in subsidiary companies:

- Report on proposed appointments and withdrawals of the members of senior management.
- Report on the appointment of Ferrovial representatives on the boards of the key subsidiaries and investees as determined by the Board of Directors.

Other functions:

- To examine and organise the succession of the Chairperson of the Board of Directors and the Company's chief executive, and to prepare proposals for the Board of Directors to ensure an orderly and planned succession.
- Ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.

Operation:

The committee chairperson 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 pursuant to being convened by its Chairperson, who should do so when so requested by the Board of Directors, the Chairperson of the Board of Directors, or two member of the Committee, and in any event, when required for the proper performance of its functions.

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 board regulations will apply.

Any member of the management team or Company personnel will be obliged to attend the Committee's sessions and to provide them with his/her assistance and access to the information s/he has available, if so requested. When so determined by the Committee, this appearance shall be performed without the presence of any other directive.

The Committee should consult with the Board Chairman and chief executive of the Company, especially on matters relating to Executive Directors and senior officers.

Also issue a report on its operations, which will be published on the Company website with sufficient notice prior to the Ordinary General Meeting of the Company.

Unless provided for in particular by the Committee, the regulations of the Board of Directors will be applicable with regard to convening notices, the constitution and adoption of agreements, as long as this is compatible with the nature and function of the Committees.

Most important actions

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

Throughout the financial year, the Committee (i) has proposed the ratification and appointment by the General Shareholders' Meeting of Mr Howard Lee Lance; (ii) the appointment by co-option of the independent Director Mr Oscar Fanjul Martín; (iii) has favourably informed the appointment of Proprietary Directors Mr Leopoldo and Mr Joaquín del Pino y Calvo-Sotelo; and (iv) has proposed before the Board the re-election of Mr José Fernando Sánchez-Junco Mans as Lead Director for a period of one year.

Continued in Section H.

C.2.2. Complete the following table on the number of female directors on the various Board committees over the past four years.

| | Number of female directors | | | | | | | |
|--|----------------------------|--------|--------|--------|--------|--------|--------|--------|
| | 2015 | | 2014 | | 2013 | | 2012 | |
| | Number | % | Number | % | Number | % | Number | % |
| EXECUTIVE COMMITTEE | 1 | 14.29% | 1 | 14.29% | 1 | 14.29% | 1 | 14.29% |
| AUDIT AND CONTROL COMMITTEE | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| APPOINTMENTS AND REMUNERATIONS COMMITTEE | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

C.2.3 Section revoked.

C.2.4 Section revoked.

C.2.5 Indicate, as appropriate, whether there are any regulations governing the Board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.

The Audit and Control Committee and the Appointments and Remunerations Committee have compiled reports on their operation to be published on the Company website 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 Board Regulations (articles 18 to 24).

A record of the Bylaws and the Board regulations can be found at the Mercantile Registry. Alternatively, they can be found at www.ferrovial.com. The Board regulations are available on the CNMV website (www.cnmv.es).

During the 2015 financial year, both the Corporate Bylaws and the Board Regulations were amended to (i) include new legislation introduced by the Law 31/2014 of 3 December 2014, amending the Law on Capital Companies ("LSC") to improve corporate governance, and (ii) introduce other changes, some of them technical, system or drafting improvements. Similarly, the Board Regulations introduced certain recommendations set out in the Code of Good Governance for Listed Companies.

In particular, the Bylaws will now include amendments taken from the new articles 529 xiii of the LSC (Board committees), 529 xiv (audit committee) and 529 xv (appointments and remunerations committee).

With regard to the regulation of Board Committees in the new Board Regulations, please note the amendment, among other things, of the following articles:

- Article 18.1. Includes the drafting of article 249.1 of the LSC and the delimitation of the scope of the abilities of the delegated bodies of the Board.

- Articles 19.4 and 5. Incorporation of articles 529 xiv.1 and xv.1 of the LSC, which state as a requirement for the composition of the Committees that members must be Non-Executive Directors and that the Chairperson should be an Independent Director.

- Article 20.2. Includes the forecast relating to the duration of the position of Chairperson of the Audit and Control Committee, in accordance with article 529 xiv.2 of the LSC.

- Article 20.1. Mention, in association with recommendation 39, that all members of the Audit and Control Committee, particularly its Chairperson, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters.

- Article 21 I. In terms of the responsibilities of the Audit and Control Committee relating to financial information, introduction of recommendation 8: ensure that the Board presents the accounts without limitation or qualification and that, where they exist, the Chairperson of said Committee and the statutory auditor shall draw up a report on their content and scope.

- Article 21 II. Responsibilities of the Audit and Control Committee relating to the statutory auditor, among other things including: (i) drafting of a report on the independence of the statutory auditor which, in accordance with recommendation 6 a), will be published on the Company website, and (ii) examine the circumstances behind the removal of the statutory auditor in accordance with recommendation 42.2 a) and supervise the public Company in relation to this change and support it in a statement on the disagreements and on the content, if any, in accordance with recommendation 42.2 c).

- Article 21 IV. The Audit and Control Committee will also have the following responsibilities: (i) in association with recommendation 44, the Audit Committee should be informed of any fundamental changes or corporate transactions Ferrovial SA is planning, so the Board of Directors can analyse the operation beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed; (ii) in accordance with recommendation 6 c) the report on related transactions, which should be published on the Company website; and (iii) the coordination of the non-financial information report process, in accordance with recommendation 53 h).

- Article 22.2. The Appointments and Remuneration Committee should consult with the Board Chairman and Company chief executive, especially on matters relating to Executive Directors and senior officers (recommendations 49 and 51).

- Article 23, Section 2. The Appointments and Remuneration Committee will also have the following responsibilities: (i) ensuring that the Non-Executive Directors have enough availability to properly carry out their functions, as detailed in recommendation 25; (ii) proposing basic contract conditions for senior officers, according to the details of recommendation 50 a); (iii) periodically reviewing the remunerations policy applied to Directors and senior officers, including shareholdings and their application, as well as guaranteeing that the individual remuneration is proportionate to that paid to other Directors and senior officers in the Company, as detailed in recommendation 50 c); (iv) checking the information on remuneration for Directors and senior officers included in the various corporate documents, including the annual report on director remuneration, in accordance with recommendation 50 e).

C.2.6 Section revoked.

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1 Explain, if applicable, the procedures for approving related-party or intragroup transactions.

Procedures for reporting on the approval of relevant transactions

The rules on any transactions concluded between Ferrovial or its group companies and directors or their related parties are set out in the following regulations:

-Article 229 1 a) of the restated Spanish Companies Act. This provision places directors under a duty to abstain from entering into transactions with the company in the event of there existing a conflict of interest.

-Article 529 ter 1 h) of the Spanish Companies Act and article 38.3 t) of the Bylaws. These provisions vest a non-delegable duty and power in the board, supported by a prior report from the 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 or on the boards of other companies of the group, or their related parties.

Article 230(2) (2) of the Spanish Companies Act confers the power to authorise such transactions on the general meeting if the value of the transaction exceeds 10% of the company's assets.

-Article 529 ter 1 h) of the Spanish Companies Act prescribes that this requirement of approval is disapplied only if the transaction satisfies the following three conditions: a) it is concluded under a contract the terms of which are standardised and are applied generally to a large number of clients; b) it is concluded at a price or rate set generally by the party acting as supplier of the goods or service in issue; and c) the amount does not exceed 1% of the company's annual revenue.

-The board regulations reflect this statutory provision in article 38, which further prescribes that for ordinary transactions with the company or its subsidiaries the board may approve the course of transactions on a generic basis.

As to disclosures on related-party transactions the following rules also apply:

-Article 229.3 of the Spanish Companies Act and article 37.3 of the board regulations, which create a duty to disclose in the notes to the accounts any conflict of interest incurred by a director, including the transactions referred to in the foregoing paragraph.

-Article 1(1) of Order EHA 3050/2004 of 15 September on related-party transaction disclosures to be supplied by companies that issue securities listed on organised exchanges, which creates a duty to include in half-year financial reporting quantified information on all related-party transactions concluded by the company.

-Finally, article 3(1) of the Order lends the status of a "related-party transaction" to any transfer of resources, services or obligations between related parties regardless of whether or not consideration is involved.

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

D.3 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's managers or directors.

D.4 List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

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

Corporate name of the group company:

Cadagua, S.A.

Amount (thousands of euros): 959

Brief description of the transaction:

Contribution of operating capital to its branch in the Sultanate of Oman in relation to the contract, joint with other members, for the granting of a project, construction, operation and ownership of the Al Ghubrah desalination plant for a period of 20 years.

Corporate name of the group company:

Ferrovial Agroman Limited UK

Amount (thousands of euros): 1,598

Brief description of the transaction:

Staff and other costs for the branch in the Sultanate of Oman for business development.

Corporate name of the group company:

Amey Plc

Amount (thousands of euros): 2,217

Brief description of the transaction:

Loan to its subsidiary Amey Insurance PCC Company Limited, (Guernsey).

Corporate name of the group company:

Amey LG Limited

Amount (thousands of euros): 72

Brief description of the transaction:

Premiums payable to Amey Insurance PCC Company Limited, (Guernsey).

Corporate name of the group company:

Amey OW Limited

Amount (thousands of euros): 21

Brief description of the transaction:

Premiums payable to Amey Insurance PCC Company Limited, (Guernsey).

D.5 Indicate the amount from related-party transactions.

0 (in thousands of Euros).

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 under obligation to inform the Secretary to the Board of any conflict that arises.

Under the law the duty to avoid conflicts of interest binds a director to abstain from:

- a) Entering into transactions with Ferrovial other than in the exceptional events under applicable law.
- b) Use the company name or invoke his/her capacity as a director to exert an improper influence on private transactions.
- c) Use the company's assets, including the company's confidential information, for private purposes.
- d) Use the company's business opportunities.
- e) Obtain advantages or remuneration from third parties other than the company and its group in relation to the performance of his/her office, excepting only acts of mere courtesy.
- f) Carry on business on his/her own account or on account of others involving, in effect, actual or potential competition with the company or otherwise placing him/her in an enduring conflict with the company's interests.

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

At all events a director must abstain from taking part in deliberation and voting on resolutions or decisions in which he/she or a related party of his/hers is in a direct or indirect state of conflict of interest. The duty of abstention referred to above excludes resolutions or decisions affecting the director in his/her capacity as a director, such as his/her appointment or removal from offices on the board or analogous offices.

Direct and indirect conflicts of interest of the Board shall be reported in the annual report.

The board is vested in a power to approve, supported by 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 or on the boards of other companies of the group, or their related parties. Directors affected by the situation, or representing or related to shareholders thus affected, must abstain from taking part in deliberation and voting on the proposed resolution in question. This requirement of approval is disapplied only if the transaction satisfies the following three conditions:

- a) The transactions are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
- b) They are carried out at prices or rates established on a general basis by the party acting as the supplier of the goods or service in question;
- c) Their amount is no more than 1% of the company's annual revenue.

The authorisation must be resolved upon by the shareholders at general meeting in the events prescribed by law and in particular when it relates to a transaction the value of which exceeds ten percent of the company's assets.

The following persons are subject to these rules:

- Directors of Ferrovial, S.A. A director must abstain from taking part in deliberation and voting on resolutions or decisions in which he/she or a related party are in a state of conflict of interest.
- Shareholders who individually or in concert with others hold a significant ownership interest.
- Natural persons representing directors that are legal persons.
- Senior management officers, as far as this might be consistent with the nature of their relationship with Ferrovial.
- Other persons who, by a notified decision of the board, under article 3 of the board regulations attract the application of those rules or a part of them.
- Persons related to the above listed persons, as defined in the Board of Directors Regulations.

D.7. Is more than one group company listed in Spain?

Yes

No

Identify the listed subsidiaries in Spain.

Listed subsidiaries

Indicate whether they have provided detailed disclosure on the type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies.

Business dealings between the parent and listed subsidiary, as well as between the subsidiary and other group companies

Indicate the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies.

Mechanisms for resolution of possible conflicts of interest

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company risk management system, including taxation risk.

The Board is responsible for approving the risk management and control policy and for monitoring the reporting and control systems. 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 has determined that risk policy at Ferrovial can be concisely expressed by the following principles:

- Awareness and proportionality of the risk assumed.
- Protection of people's health and integrity.
- Observance of the Code of Ethics.
- Definition and delegation of responsibilities.
- Distribution of information.
- Assessment of risk.
- Global risk management.
- Integration and coordination with other systems.

Based on these principles, Ferrovial has a risk identification and assessment process called Ferrovial Risk Management (FRM), supervised by the Board of Directors and the Management Committee (CD) and located in all the Group's business areas.

This process enables risks to be identified and assessed sufficiently in advance, including taxation risks, based on the probability of their occurrence and of their potential impact on strategic business objectives, including the potential impact on the company reputation, with the aim of taking the most suitable management and safeguarding measures based on the nature and the location of the risk.

Through the application of a shared metric, two assessments are made of the identified risk. One inherent assessment, prior to specific control measures being implemented to mitigate the risk, regardless of its impact or its probability of occurrence, and one residual assessment, after the control measures have been implemented. As well as determining the relative importance of each risk event in the risk matrix, this enables the effectiveness of the control measures implemented for risk management to be assessed.

E.2. Identify the bodies responsible for preparing and implementing the risk management system, including tax.

The Corporate Risk Unit is responsible for coordinating the application and operation of the FRM.

Our risk management policy requires all business divisions and subsidiaries in which Ferrovial has management capacity to identify and assess the risks, including those of a fiscal nature, to which they are exposed in the pursuit of their business objectives, for the purpose of identifying sufficiently in advance the appropriate mitigating measures which reduce/eliminate the probability of the risk occurring and/or its potential impact on the objectives in the event it were to materialise.

E.3. Indicate the main risks, including those of a fiscal nature, which may prevent the company from achieving its targets.

The main risks affecting the development of Ferrovial strategy and as a result the capacity for creating value, are related with some of the risks inherent to the markets in which it operates.

Below is a brief description of the main risks faced by Ferrovial in meeting its business objectives. More information on risk and risk management is available in the Annual Report.

1. Increased competition

The socio-economic crisis of emerging countries, as a result of a slow-down in growth and the gradual slide in the price of raw materials, has reduced the demand for infrastructure in these regions. This circumstance heightens the risk of competitors concentrating in the rest of the international market, thus creating pressure on prices and margins.

2. Political factors

How the Ferrovial strategy is moulded is in certain cases occasion susceptible to political decisions or changes in the structures of government which, on occasion, may run counter to Company interests, making it difficult for the business plan to succeed.

3. Economic stagnation and fiscal consolidation

The potential worsening of the macroeconomic magnitudes in that countries where the activity of Ferrovial is based and the fiscal consolidation policies implemented in those countries reduces the financial capacity of public authorities and the confidence of private investors. All of which could lead to a reduction in demand and margins, as well as an increase in the dispute with customers.

4. Changes to regulations and/or legislation

Certain of the assets managed by Ferrovial are bound by specific regulations (mainly those in the toll road and airport businesses), which were taken into account in their business plans. Nonetheless, regulatory and legislative changes may be brought in that could alter the legal and normative environment in which the Company develops, shaping the capacity of the Company to run its businesses and turn a profit.

5. Cyber attacks

Criminal acts involving the Internet which may have an effect on assets and lead to a complete or partial stop whether they directly target the Company or not.

6. Conflicting employment matters

Certain lines of business at Ferrovial, namely Construction and Services, are labour intensive. On top of this, it has a presence in a number of countries and, therefore, is bound by more than one set of employment laws. Both circumstance imply that different individual or group conflicts may emerge with employees that impinge on the productive capacity of the Company and/or corporate reputation.

7. Service quality

Not meeting the levels of quality and/or the delivery deadlines agreed with third parties. Inadequate systems for ensuring the quality of goods or service offered by the Company.

8. Catastrophic events

The complexity of certain activities carried out by Ferrovial increases exposure to the risk arising out of an asset owned and/or managed by the company or of an unforeseen event injuring people or damaging items located on the assets owned and/or managed by the Company. Unforeseen events include natural disasters (earthquakes, extreme weather conditions etc.) and terrorist or criminal activity.

9. Environmental damage

Company actions that can have a significant effect on the environment and on the location at which the activities are carried on.

10. Financial risk and credit risk

Financial risk and credit risk is managed centrally by the Finance Department. It includes exposure to currency, interest rates, inflation, commodities and it guarantees sustained capital contributions and the economic flows arising therefrom. A pro-active global risk management policy has been established and hedging mechanisms have been arranged where necessary.

The delayed recovery to the financial system's solvency may increase financial counterparty risk and lead to tougher project financing conditions.

11. Fraud and corruption

The diversity of projects, geographical locations and the high number of clients (both public and private), suppliers and interest groups it interacts with expose Ferrovial to the risk of fraudulent practices committed by employees of the Company that, with or without the help of third parties, attempt to obtain some profit for the company or benefit at the expense of the assets of the Company, those of its clients or third parties affected.

12. Meeting legal requirements

In running its business, Ferrovial is subject to different legal and regulatory frameworks subject to the business activity being carried out and the country where it is located. Breaking those regulatory frameworks may give rise to civil and/or criminal proceedings against the company and/or its employees and directors.

13. Contractual breach with third parties

Exposure of Ferrovial to the risk of failing to meet any one of the third-party obligations it assumes (customers, suppliers, financial institutions or public authorities), which may result in claims or jeopardise the continuity of the projects and/or financial position of the company.

E.4. Identify if the company has a risk tolerance level, fiscal included.

Taking into account the Group's strategic objectives and the strategic lines for its achievement, Management approves the acceptable level of risk for each group of risks, business type and geographic location, as well as the permitted deviation levels. The acceptable levels of risk are periodically updated in accordance with any changes in the corporate strategy and the risk profile of the businesses.

The management team, through FRM (Ferrovial Risk Management), periodically identifies the risks which threaten the Company's ability to meet its business objectives. It then assesses them based on the potential effect they might have and the probability that they might occur. The combination of the impact and probability that they will occur determines the risk's level of seriousness.

E.5. Identify any risks, fiscal included, which have occurred during the year.

- In July 2015 the Generalitat approved and published the decree 161/2015, amending the system for awarding contracts for the "Terrassa-Manresa Motorway". The unilateral enactment of this new decree revokes the Decree that had previously determined the contract, with the resulting impact on the financial structure of the project.

As a management measure, the Contractor lodged a contentious-administrative claim requesting that the awarding authority redress the socio-economic balance of the contract, as established in the concession agreement.

- There has been an increase in litigation in certain markets where the business activity is based as a result of budget restrictions and the need for some of our clients to reduce costs. In section 6 point 5 of the yearly accounts details are given on the more relevant cases currently open, including the legal proceedings against Birmingham City Council in the UK as a result of differences that arose in the interpretation of the contract in relation to the scope of the proceedings in the investment phase.

Ferrovial has taken the necessary legal measures to defend its contractual rights.

- The low growth experienced by emerging economies together with the gradual decrease in the costs of raw materials, increasing leverage and political instability is having a negative impact on the world economy, on its ability to recover, and on investor confidence. These circumstances make for a lower demand in infrastructure in those emerging economies, which also means tougher competition in the international markets.

Ferrovial takes such circumstances into account in preparing its corporate strategy.

The Company's risk detection and risk assessment systems have identified and evaluated those risks which threaten the business objectives with enough warning so as to implement the appropriate corrective measures and mitigate the related negative effect.

E.6 Explain the response and monitoring plans for the main risks the company is exposed to, fiscal included.

1. Risk Management System (FRM)

FRM (Ferrovial Risk Management) is the system for comprehensive risk management implemented in all Ferrovial lines of business as a tool which supports the management team and adds value. FRM allows the Company to anticipate sufficiently in advance the risks that threaten its business objectives, in order for the appropriate corrective measures to be taken.

2. Quality assurance systems

As part of the Company's risk management system, all business areas have implemented quality management systems that comply with the ISO 9001 standard. When deemed necessary by relevant stakeholders, these systems are certified by a third party. Stakeholder motivation to obtain this certification varies from country to country and business to business. Some 91% of the sales of the Group as a whole have systems that have been certified by accredited bodies.

Similarly, business activities are subject to periodic audit processes that evaluate compliance with regulations, contractual requirements and objectives.

3. Environmental management systems

All business areas have implemented environmental management systems that comply with at least the ISO 14001 standard and the EU EMAS Regulation. These systems are tested for third-party approval whenever deemed necessary by the relevant stakeholders. Some 90% of the total sales of the Group have systems that have been certified by accredited bodies

In each production centre, these systems adapt to the reality of the site by means of 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.

Furthermore, activities are subject to ongoing examination by means of environmental assessments and audits of processes, practices and the degree of regulatory compliance. Ferrovia has an environmental risk control and environmental risk monitoring system which was implemented and approved for the business activities with the greatest environmental risk in the Construction and Services areas. Here, it acts as an integrated indicator and an early warning system for any possible breaches of the sustainability policy, current corporate standards and applicable legislation.

4. Reliability of financial reporting

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

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

6. Other preventive procedures

a) Occupational safety systems

Occupational risk prevention systems have been implemented in all business activities in accordance with Law 31/1995 and its implementing regulations. Prevention systems are audited periodically by accredited external bodies.

b) Non-payment or default

The risk of non-payment by private customers is mitigated by a solvency study prior to signing the contract.

The contractual requirements are supervised by the Legal and Finance Departments in order to ensure that they establish payment guarantees in the event of default. During the work, the Finance Department continually monitors the certificates, collection documents and payment thereof.

c) Business continuity plans

Ferrovia has implemented a Business Continuity Model which 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, facilities and information systems.

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

d) Crisis notification and management procedures

In the corporate sphere, risk profile is the basis for identifying unexpected situations that may trigger a crisis with significant consequences for the Company.

Similarly, there are specific procedures in the corporate business continuity plan mentioned above and in the business area management systems that include the measures to be implemented at all levels affected by the crisis in order to manage and lessen any harm to people or the environment, besides reducing its economic impact and making it easier for business activity to be resumed in the shortest possible time.

7. Risk cover systems

The Ferrovia 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 Ferrovia is exposed in the performance of its activity.

In the case of environmental risk, it has an environmental responsibility policy which hedges the Company's environmental risks pursuant to EU legislation.

F INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) AND RISK MANAGEMENT SYSTEMS FOR THE FINANCIAL REPORTING PROCESS

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

F.1 The entity's control environment

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

F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

Under article 38 of the Bylaws, the board must oversee internal systems of reporting and control, including the financial reporting internal control system ("ICFR", Spanish "SCIIF").

Senior management is responsible for the design, implementation and maintenance of ICFR, which is defined as members of the Management Committee as established in the general operational framework of the Internal Control over Financial Reporting (ICFR) system which can be accessed on the Company's intranet by all employees. Therefore, this responsibility not only falls within finance, but also affects the entire organisation, as financial reporting feeds on the activity and information generated by business areas and other supporting areas such as HR, Legal Affairs or IT Systems.

Finance is engaged in coordinating such tasks at a global level through the Group Finance Department (hereinafter, GFD) which will monitor all phases of the system and have responsibility for regularly reporting to the ACC on progress in implementation and monitoring. Such coordination is carried out in each business area by the individual Finance Departments of the same. This responsibility has been made explicit for the first time in the annual certification signed by the Chief Financial Officers of the businesses and the CEOs of the businesses and main subsidiaries each year in relation to the financial information corresponding to the respective areas of responsibility.

In relation to the monitoring of the efficient running of the ICFR, the CAC has among its concerns the oversight of the effectiveness of the internal control of the company and risk management systems, under article 51.3(b) of the Bylaws. For implementation it relies on the support of the internal audit department.

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

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

Under the Regulations of the Board of Directors, the responsibilities of the Nomination and Remuneration Committee include analysing the process for orderly succession of the Chairman and Chief Executive Officer, who is appointed by the Board, and reporting on the appointment or removal of executives accountable to the CEO.

The Chief Executive Officer, with the participation of the Head of Human Resources in his advisory role to the CEO, is responsible for setting up the organisational structure for the first line of reporting in the organisation (executives who report to him).

In turn, the latter are responsible for making changes in the organisational structure under their immediate control, subject to the authorisation of the CEO and with the advice of the Head of Human Resources.

The Compensation and Benefits Department, under the Human Resources Department, periodically evaluates the classification and description of all job positions in the Group with a view to maintaining an appropriate separation of functions, avoiding redundancies and improving the co-ordination of different departments thus achieving greater efficiency of operations in the Company.

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

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

Code of Business Ethics

The Company has a Code of Business Ethics which was approved in 2004 and updated by the Board during its meeting on 18 December 2014. The Code has been published on the company website (www.ferrovial.com) and on the corporate intranet.

As the guiding principle in its business conduct towards shareholders, investors, analysts and the market in general, Ferrovial undertakes "to disclose truthful, and complete information that provides an accurate view of the company and Group, their corporate activities and their business strategies. Communication must always comply with the standards and deadlines established by the applicable legislation."

On the reliability of the financial information, the Code states that "Ferrovial subsidiaries across the world must have implemented accounting practices which will help to ensure accurate book-keeping and accounting records."

The Board and the Audit and Control Committee are responsible for supervising compliance with the Code of Ethics. The Audit and Control Committee is regularly updated by the Internal Audit Department on all the activity and the measures taken. In this supervisory role, this Department receives assistance from HR and Legal Affairs when it believes the work to be performed falls within the scope of their responsibilities. In terms of the level of dissemination and instruction, all new employees are provided with the welcome pack, and the Company makes it obligatory for those employees to complete an online course on company ethics which goes through its basic principles.

Anti-corruption policy

Similarly, on 18 December the Board of Directors approved the anti-corruption policy, regulating a list of banned practices including crimes that may affect financial reporting at Ferrovial, such as signing fake contracts, not keeping accurate accounts and records, hiding or misusing funds and hiding or attempting to hide the sources of those funds.

This policy also expressly states that Ferrovial must include the following in its ICFR system: "(i) accounting practices that help to guarantee the accuracy of its books and records; (ii) It is strictly prohibited to not disclose assets or to record them inaccurately. Any payment, expense and transaction must be correctly classified and recorded so that the real nature of an agreement is exposed. The relevant authorisation must be obtained in accordance with the payment procedures in place.

New Model of Criminal Prevention

In April 2015 the Board of Directors approved the model formed of a series of current internal regulations and policies at Ferrovial that will help to prevent criminal acts from being committed, including policies that the new Compliance Unit will have to monitor to ensure they are being implemented.

- Whistleblowing 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 states that the Audit Committee's responsibilities include, "establishing and supervising a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for Ferrovial".

The Company has an anonymous whistle-blowing channel which alerts the Audit and Control Committee to financial and accounting irregularities, breaches of the code of conduct or irregular activities in the organisation. Employees have access to it through the intranet and other stakeholders will find it on the websites (in both Spanish and English).

The functioning of the Complaints Box is regulated in a corporate procedure issued by the Chairman that is accessible to all employees on the intranet.

The Audit and Control committee supervises these channels and receives periodic reports from the Internal Audit Department on the activities and measures taken. In this supervisory role, this Department receives assistance from HR and Legal Affairs when it believes the work to be performed falls within the scope of their responsibilities.

In 2015, the whistleblowing channel received 45 complaints. No evidence of falsification of financial statements or fraud with a significant effect on the financial statements was found during investigation of these complaints.

- 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 staff involved in preparing and revising the financial information, as well as the assessment of the ICFR, receives training on how to properly carry out its duties.

In 2015 a total of 12,909 hours of training was provided on finance, placing the focus of attention on international accounting standards, consolidation of financial statements and tax law, as well as subject characterised by their complexity, such as derivatives.

In addition, 2015 also saw the training on the ICFR, based on the introduction of a new computer application in Spain, USA, UK and Poland, with a total of approximately 405 attendants and 1,209 hours of training imparted. This training also covered subjects such as types of control, preparing the assessment on their effectiveness, evaluating risks and identifying opportunities for improvement.

F.2 Risk assessment in financial reporting

Report at least:

F.2.1. The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented.

Identifying risks of error in the financial information is one of the most important phases within the overall ICFR process at Ferrovial, which has two aims: in the first place, ensuring with reasonable security the reliability of the financial information disclosed to the market, and, secondly, supporting 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 "ICFR Annual Briefing" of Ferrovial has the following stages:

1. Definition of the scope
2. Updating processes and controls
3. Self-assessment of the effective design and operational performance 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 of these stages are supported by a new computer tool that handles the entire process and which has been introduced in the Company this year. This tool has made it possible to extend the allocation of real responsibilities in the execution and documentation of controls. Around 500 people in the Group have used the computer application in this first year, during which time there has been documented evidence of around 2000 inspections performed.

The methodology is based on the analysis of the financial information in the various companies controlled by Ferrovial to select the material accounting headings according to quantitative criteria, depending on the sales figure and the volume of assets, and qualitative criteria (mainly, headings where the value is subject to opinion and estimates, complex calculations, susceptible to fraud). In this stage, risks of error in the financial information are identified, in relation to the existing objective, integrity, assessment, presentation and breakdown, rights and obligations associated with the headings within the scope. Headings are grouped into processes that are analysed and for which a high-level description is prepared. This documentation is available through the tool, which also includes the description of the controls.

Risks are assessed once a year automatically depending on how the controls implemented for their mitigation operate. The controls are subject to self-assessment on their effectiveness, both in terms of their design and how they work, by those responsible for them or the individuals to whom this duty has been delegated. Under no circumstances can this assessment be modified by the higher levels of review.

Based on the objective assessment of the risks, the financial officers of the businesses and principal subsidiaries make their subjective assessment independently of how the controls work.

Similarly, around 46 people take part in the cascade certification process for correcting the financial information for which they are responsible, for the purposes of preparing the consolidated yearly accounts. As an initial step, the results of the self-assessment of the controls are revalidated.

The yearly revision of the entire process is coordinated by the Directorate of Planning and Control, within the Group Finance Department, which is also responsible for administrating the computer application and coordinating how the ICFR is run in the various businesses and corporate areas of the Group.

- The process covers all financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), it 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 objective of control over financial reporting for each accounting heading and material disclosure in Ferrovial's consolidated financial statements. Therefore, the annual risk assessment process covers all objectives of the financial information: existence and occurrence; completeness; valuation; presentation; disclosure 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.

The Group has a Master document of Companies in SAP which includes all the companies included in the scope of consolidation. The Master document is managed on the basis of the "Company Database Management" process available on the corporate intranet.

When a company is registered in SAP, the interface detects it and the consolidation system issues a notice for it to be included therein, ensuring the consistency of the information in the two systems.

Moreover, the Company has an investment process subject to different levels of authorisation depending on the amount of those investments, corresponding to the Board of Directors, under article 38 section s) of the Council Regulation, adapted in 2015 in line with legislative changes, the approval of the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of Company and its Group.

- The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

The process of identifying risks of error in the financial information takes into account the effects of other types of risk, largely operating, technological and legal risks, insofar as they affect the financial statements; these risks are assessed and managed by the businesses and the various corporate functions such as the Information Systems Division or legal counsel, among others.

- Which of the company's governing bodies is responsible for overseeing the process.

The annual assessment of risks is coordinated by the ICFR on a yearly basis, whereby the Group Finance Department is responsible for coordinating this work, the results of which are presented to the Audit and Control Committee for monitoring.

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 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 Finance Department submits to the ACC prior to publication and approval by the Board both the financial statements and the periodic financial information presented in the markets, with a special emphasis on the main judgements and estimations in the most complex areas or in which the accounting impact is most significant.

Pursuant to the Board Regulations, the accounts are submitted for formulation to the Board once they have been approved by the Chairman, Chief Executive Officer and Chief Financial Officer.

Prior to approval, the Chief Executive Officers and Chief Financial Officers of the businesses and main subsidiaries authorise the reported information to prepare the related areas of responsibility of the Group's consolidated financial statements with an express reference to their responsibility for maintaining an internal control system which ensures that the financial information is free from errors and fraud. In addition, for the first time in 2015 a statement on the self-assessment of the effectiveness of the controls was included and from the results obtained, no significant deficiency or material error was found in the financial information.

The report describing the ICFR is drawn up by the Finance Department with the co-operation of the pertinent corporate departments and is submitted to the Audit and Control Committee for review and issue.

All business areas have controls of critical processes to ensure the reliability of financial information.

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, which are required for review.

In addition to the specific controls of the business processes, each one of the processes at the end of the reporting period performed in the businesses is considered as a cycle, and the same occurs with the reporting period activities as a whole conducted at corporate level, with the overall process of consolidation and with the breakdown process in the notes to the financial statements and the cash flow preparation.

The Company has entity level control documents in keeping with the principles of the new COSO III framework and the Information Technology General Controls, according to international frameworks and which, in addition, is 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 revised and audited. As part of this process potential incidents have been reported and actions for improvement are currently being reported, documentation and monitoring for which will be performed using this tool.

All previous actions form part of the organisation process described in section F.2.1. in relation to risks, as documented in a new corporate process available over the Company intranet and which is used to support the new tool implemented in 2015.

The Company has a closing of accounts procedure which is applicable to all business. The process is co-ordinated by the Finance Department, which issues instructions and sets a calendar for milestones.

The Finance Department prepares a document on judgements and estimates in the yearly closing that is submitted to the Audit and Control Committee. In addition, given that accounting rules require the use of judgements and estimates based on long-term projections for recording certain transactions, the Company has a process for 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 reporting.

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.

The Information and Innovation Systems 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 DGSII are structured in the following processes:

1. 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, incidences and problems related to the provision of services.
4. Management of Continuous Improvement through setting up of control mechanisms of service levels and deployment of scorecards.

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

Ferrovial also has an IT Security Department, within the DGSII, that is responsible for leading governance, strategy and management of IT security by defining, implementing, operating and monitoring models, architectures and security and control systems that protect the value of information and ensure its completeness, availability and confidentiality.

Management of IT security is aligned with international standards, mainly the latest version of the ISO/IEC 27001 standard, including and regulating, among others, a process of continuous improvement in risk management, matters such as control of access and segregation of functions to ensure that treatment of financial information supported by IT systems is performed in an authorised and supervised manner that is proportional to the needs of users in performing tasks.

Ferrovial's information security management system has been certified to ISO/IEC 27001 since March 2012. 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 in the entire 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 on the main information systems that support the processes for preparing the financial information on their respective 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 technologies and communications, while facilitating the definition and implementation of action plans which make it possible to manage the mentioned identified risks.

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 exercise 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 in 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:

- Alignment/certification of provision of service in terms of international standards (including ISO/IEC 20000 and ISO/IEC 27001).
- Establishing mechanisms to govern and to monitor service.
- Setting up regular audit and review processes that are obligatory.
- Establishing and managing service levels.

Actuarial studies of pensions.

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

Furthermore, it is worth noting that the Internal Audit Department audits outsourcing contracts to ensure the conditions agreed in the contract are complied with.

F.4 Information and communication

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

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

The Accounting Policies and Internal Control Department, which reports to the Planning and Control Department within the Finance Department, is responsible for defining and maintaining the accounting rules manual (Ferrovia GAAP) up to date and available on the Company Intranet and answer questions or resolve conflicts related to its interpretation. This is a centralised corporate function for the entire geographic scope of the Group.

Ferrovia GAAP incorporates all the IFRS changes adopted by the European Union and the standards defined by Ferrovia in cases where the IFRS offer different alternatives or a mandatory standard does not apply.

Prior to the publication of new IFRS, the regulatory activity of the IASB is proactively monitored in order to identify those projects which 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 must prepare technical notes when important decisions need to be taken in relation to accounting standards to document that there is sufficient evidence for the decisions.

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 Group Finance Department continuously ensures that there is an appropriate proportion of subsidiaries whose transactional and consolidation IT systems are those applicable at the Group level and that they gather information in a standard format.

At the transactional system level, Ferrovia has a harmonised system internally called SAP Fidelio which includes companies that accounted for 55% of sales, 81% of EBITDA and 71% of assets in 2015. Companies outside SAP Fidelio mainly belong to the Amey and Budimex groups.

The mechanism for capturing and preparing the information in support of the consolidated financial statements of Ferrovia is based, principally, on the use of a consolidation tool (called BPC), which is currently deployed throughout the entire Group, except in Amey (own BPC, not connected with the Group).

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

F.5 Monitoring

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

F.5.1. The ICFR monitoring activities undertaken by the Audit Committee and an internal audit function whose competencies include supporting the Audit Committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate 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 information.

Ferrovial has an Internal Audit Department that reports directly to the Audit and Control Committee of the Board of Directors, which ensures that those making management decisions when carrying out reviews have full independence and objectivity. The functions under the Regulations of the Board of Directors and the ACC that affect the Internal Audit Department include proposing and removing its own manager, approving the budget and ensuring that the human and material resources are appropriate for the performance of its duties. 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 visited etc.) which when applied to the overall "Auditable Universe" determine what work is a priority for the following year. This planning proposal is discussed with Senior Management with a view to incorporating its proposals and submitted to the Audit and Control Committee for approval prior to the start of the year. Then, during the year, the degree of progress in planning is reported, as are any deviations, and these are explained. The guiding principle is that all work considered a priority must be audited during the current year and others are 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 Internal Audit Department carries out full-scope projects and reviews the financial statements. (both on the accounting side and current planning: the balance sheet and income statement, both financial and future: business plans, budgets, finance models etc.), also analysing effectiveness and efficiency of processes, internal controls, the design and compliance with applicable internal and external regulations, the functional completeness and sufficiency of IT systems and the suitability of organisational structures.

If the Internal Audit Department deems it appropriate, it may engage external advisers for specific technical expertise in the matter audited or to reinforce audit capacity in a specific moment.

The Internal Audit report contains 3 sections, in which, in addition to an overall opinion of the performance of the audited unit (company, application, process etc.), sufficient details are provided on any opportunities for improvement. These details are incorporated in recommendations to managers, with deadlines for implementation and subsequent verification when complete. A single report is issued and distributed at the same time to all the heads of the audited unit, the Ferrovial Management Committee and Senior Management.

This philosophy is applicable uniformly to all the work of the Internal Audit Department. In the specific field of ICFR, the effectiveness and design of internal controls is analysed, as noted previously with regard to work performed in any audited units. Additionally, the specific work carried out in 2015 in relation to the ICFR included auditing two specific processes, across business lines and of one business area, with satisfactory results, and the continuous updating of the status of monitoring the recommendations issued in previous audits. For 2016, the plan approved by the Audit and Control Committee includes a full audit of 3 ICFR processes, which can be across business lines or areas, and the verification in the other audits of the specific risks and controls that have been identified and follow-up of the recommendations issued in work from previous years. In all cases, evidence will be requested to carry out efficiency testing.

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.

Under the Board Regulations, the external auditor submits to the Audit and Control Committee on a yearly basis any weaknesses in internal control found in the course of audit work.

Such weaknesses are incorporated to the ICFR action plan of while Finance is responsible for designing an action plan to correct them and report the progress to the Audit and Control Committee.

Similarly, in the Recommendations section of the Audit Report, the Internal Audit Department provides recommendations for improvement regarding any weaknesses found. The direct managers of the audited units undertake to implement the recommendations on dates agreed upon with the Internal Audit Department, which continuously assesses their effective implementation and issues monthly reports thereon. This information is also periodically reported to Senior Management and the Audit and Control Committee for their information and for any measures deemed appropriate. 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

None to report.

F.7 External auditor review

State whether:

F.7.1. Whether 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 and it 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 DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicates the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The Bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Complies

Explain

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

- a) The respective areas of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies.
- b) The mechanisms in place to resolve possible conflicts of interest.

Complies

Partially compliant

Explain

Not applicable

3. During the annual general 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 taking place since the previous annual general meeting.
- b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Complies

Partially compliant

Explain

Paragraph a) is complied with. At the general meeting of 27 March 2015 the chairman reported on the main changes introduced in corporate governance.

As to paragraph b), the code of good governance was published a short time before the general meeting of 27 March 2015. Hence the shareholders at general meeting had insufficient time properly to consider the recommendations.

4. The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

Complies

Partially compliant

Explain

The company is compliant with this recommendation as at the date of this annual corporate governance report. At its meeting of 25 February 2016 the board adopted a policy on communications with shareholders, institutional investors, voting advisers and credit rating agencies. The text is available on the Company's website.

5. The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies Partially compliant Explain

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

- a) Report on auditor independence.
- b) Performance reports from the audit and control committee and the appointments and remuneration committee.
- c) Report from the audit committee on related operations.
- d) Report on corporate social responsibility policy.

Complies Partially compliant Explain

Paragraphs a), b) and c) are complied with. Paragraph d) is not complied with because no corporate responsibility policy is extant that encompasses all the content required by recommendation 54. However, the company reported in detail on corporate social responsibility in its comprehensive annual report for 2014, authorised for issue by the board on 24 February 2015 and published on the website on the occasion of the notice of annual general meeting.

7. The company should broadcast its general meetings live on the corporate website.

Complies Explain

8. The Audit Committee should strive to ensure that the Board of Directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

Complies Partially compliant Explain

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

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

Complies Partially compliant Explain

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or 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) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies Partially compliant Explain Not applicable

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

Complies 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, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies Partially compliant Explain

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.

Complies Explain

14. The Board of Directors should approve a director selection policy that:

- a) Is concrete and verifiable;
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs; and
- c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the Nomination Committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each Director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women Directors before the year 2020.

The Nomination Committee should run an annual check on compliance with the director selection policy and set out its findings in the Annual Corporate Governance Report.

Complies 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 practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Complies

Partially compliant

Explain

16. The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can 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.

Complies

Explain

17. Independent Directors should be at least half of all board members.

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.

Complies

Explain

18. Companies should disclose the following Director particulars on their websites and keep them regularly updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary Directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a board member and subsequent re-elections.

e) Shares held in the company, and any options on the same.

Complies

Partially compliant

Explain

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

Paragraph b): The board believes that it is able to consider the independence and availability, in terms of time, of each director, without need of publishing all the remunerated activities he/she carries out, whatever their nature or economic value. The other boards to which each director belongs are published on the company website.

19. Following verification by the Nomination 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 percent of 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.

Complies

Partially compliant

Explain

Not applicable

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

Complies 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 Nomination Committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated 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.

Complies Explain

22. Companies should establish rules obliging Directors to disclose any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

The moment a Director is indicted or tried for any of the offences stated in company legislation, the Board of Directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The board should give a reasoned account of all such determinations in the Annual Corporate Governance Report.

Complies 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, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against 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 of the Board, even if he or she is not a Director.

Complies Partially compliant Explain Not applicable

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Whether or not such resignation is disclosed as a material event, the motivating factors should be explained in the Annual Corporate Governance Report.

Complies Partially compliant Explain Not applicable

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

The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.

Complies Partially compliant Explain

The first paragraph is complied with.

Second paragraph. The board believes it unnecessary to limit the number of boards (of any kind of entity) to which a director may belong, because: (i) availability in terms of time is not dependent only on this fact but on a set of circumstances to be considered by the appointments and remuneration committee; (ii) any such limitation, if unresponsive to the type of company, might impede the incorporation to the board of Spanish or foreign nationals who would otherwise provide enriching experience.

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 agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.

Complies Partially compliant Explain

The recommendation is complied with, except as to the annual number of board meetings.

The board believes that the number of its meetings in 2015 (six): (i) is sufficient for it to perform its functions effectively; and (ii) lends support to attendance at meetings by directors residing outside Spain and, by that same token, encourages the incorporation to the board of persons who reside in non-Spanish markets where Ferrovial operates.

The board may meet more often if circumstances so require.

What is more, the board has an executive committee that meets monthly in accordance with article 18 of the board regulations.

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.

Complies Partially compliant Explain

28. When Directors or the Secretary express concerns about some 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 minute book if the person expressing them so requests.

Complies 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 assistance at the company's expense.

Complies 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.

Complies 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.

Complies 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.

Complies Partially compliant Explain

33. The Chairman, as the person charged with the efficient functioning of the Board of Directors, in addition to the functions 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, where appropriate, the company's Chief Executive Officer; 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.

Complies Partially compliant Explain

34. When a lead independent Director has been appointed, the Bylaws or Board of Directors regulations should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Vice Chairmen give voice to the concerns of non-executive Directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the Chairman's succession plan.

Complies Partially compliant Explain Not applicable

Succession scheme for the chairmanship. The appointments and remuneration committee considers and organises the scheme for the succession of the chairman (article 529 quidecies.3 f) of the LSC). Given that the lead director may not be a member of that committee it was thought preferable not to ascribe specific functions to him/her in this domain.

As to the implementation of the scheme, in 2015 no succession of the chairman took place. The company's indoor rules do not assign this function to the lead director, but the board may decide otherwise when the time comes.

Investor relations. The board 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 specialised areas: Investor relations (finance department) and general secretary's office.

35. The board Secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Complies

Explain

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the board's operations.
- b) The operation and composition of its committees.
- c) The diversity of board membership and competences.
- d) The performance of the Chairman of the Board of Directors and the company's chief executive.
- e) The performance and contribution of individual Directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send the Board of Directors, while that of the board itself should start from the report of the Nomination Committee.

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

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.

Complies

Partially compliant

Explain

37. When an Executive Committee exists, its membership mix by director class should resemble that of the board. The Secretary of the Board should also act as Secretary to the Executive Committee.

Complies

Partially compliant

Explain

Not applicable

38. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the committee's minutes.

Complies

Partially compliant

Explain

Not applicable

39. All members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent Directors.

Complies

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 the Chairman of the Audit Committee.

Complies

Partially compliant

Explain

41. The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

Complies Partially compliant Explain Not applicable

42. The Audit Committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With respect of the external auditor:

- a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
- b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
- c) Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
- d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
- e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies Partially compliant Explain

43. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies Partially compliant Explain

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies Partially compliant Explain Not applicable

45. Control and risk management policy should specify at least:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks.
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies Partially compliant Explain

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.
- b) Participate actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensure that risk control and management systems are mitigating risks effectively under the framework of the policy drawn up by the Board of Directors.

Complies Partially compliant Explain

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

Complies Partially compliant Explain

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

Complies Explain Not applicable

The board believes that: (i) the appointments and remuneration committee adequately discharges its duties; (ii) having two separate committees in place would raise the cost sustained by the company without necessarily ensuring greater effectiveness. Circumstances may nonetheless determine a different decision in future.

49. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Directors.

When there are vacancies on the board, any Director may approach the Nomination Committee to propose candidates that it might consider suitable.

Complies

Partially compliant

Explain

50. The Remuneration Committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the board the standard conditions for senior officer contracts.
- b) Monitor compliance with the remuneration policy set by the company.
- c) Periodically review the remuneration policy for Directors and senior officers, 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 officers in the company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
- e) Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.

Complies

Partially compliant

Explain

51. The Remuneration Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Directors and senior officers.

Complies

Partially compliant

Explain

52. The terms of reference of supervision and control committees should be set out in the Board of Directors regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

- a) Committees should be formed exclusively by non-executive Directors, with a majority of independents.
- b) They should be chaired by independent Directors.
- c) The board 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) They may engage external advice, when they feel it necessary for the discharge of their functions.
- e) Meeting proceedings should be minuted and a copy made available to all board members.

Complies

Partially compliant

Explain

Not applicable

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one board committee or split between several, which could be the Audit Committee, the Nomination Committee, the Corporate Social Responsibility Committee, where one exists, or a dedicated committee established ad hoc by the board under its powers of self-organisation, with at the least the following functions:

- a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.
- b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.

- c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
- d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.
- e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.
- f) Monitor and evaluate the company's interaction with its stakeholder groups.
- g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.
- h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

Complies Partially compliant Explain

The functions set out in paragraphs a) and h) of this recommendation have been entrusted to the audit and control committee under paragraphs q) and r), respectively, of article 21 of the board regulations.

As to the rest of oversight functions, at 31 December 2015 the board has not thought fit to entrust them to an existing or to a newly created committee.

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

- a) The goals of its corporate social responsibility policy and the support instruments to be deployed.
- b) The corporate strategy with regard to sustainability, the environment and social issues.
- c) Concrete practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.
- d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.
- e) The mechanisms for supervising non-financial risk, ethics and business conduct.
- f) Channels for stakeholder communication, participation and dialogue.
- g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies Partially compliant Explain

The company's corporate social responsibility policy partly reflects the principles and commitments set out in the recommendation.

The board adopted the company's code of business ethics, health and safety policies, corporate social responsibility policy, human rights policy and environmental policy (published on the website). It also adopted the corporate social responsibility plan for 2016.

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

Complies Partially compliant Explain

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.

Complies

Explain

57. Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans 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 to defray costs related to their acquisition.

Complies

Partially compliant

Explain

58. In the case of variable awards, 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 circumstances of that kind.

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

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its 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 long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies

Partially compliant

Explain

Not applicable

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Complies

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.

Complies

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.

Complies

Partially compliant

Explain

Not applicable

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, Directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Complies 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.

Complies Partially compliant Explain Not applicable

64. Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Complies Partially compliant Explain Not applicable

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 that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
2. You may include in this section any other information, clarification or observation related to the above sections of this report.

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 principles or standard practices. If applicable identify the Code and date of adoption.

1.

SECTION A.4 cont'd:

That price-sensitive information report disclosed that the shareholdings in Ferrovial, S.A. resulting from the transactions reported by Portman Baela, S.L., Karlovy, S.L. and Rijn Capital BV on 4 August 2015, after completion, were as follows:

- (a) María del Pino y Calvo-Sotelo (through Menosmares, S.L.U. and as an individual): 8.090%
- (b) Rafael del Pino y Calvo-Sotelo (both through Rijn Capital B.V. and as an individual): 20.00%
- (c) Joaquín del Pino y Calvo-Sotelo (both through Soziancor, S.L.U. and as an individual): 2.524%
- (d) Leopoldo del Pino y Calvo-Sotelo (through Siemprelara, S.L.U.): 8.296%

In addition, as disclosed in the price-sensitive information report of 4 August 2015, María and Joaquín del Pino y Calvo-Sotelo were the joint indirect holders, through Casa Grande de Cartagena, S.L.U., of 1.209% of share capital in Ferrovial.

Moreover, by means of a price-sensitive information report filed on 15 September 2015 (number 228289), the Company disclosed that "the Company has been informed of the entry in the companies registry on 9 September 2015 of the notarial act of dissolution and liquidation of Portman Baela, S.L., a member of the board as a proprietary director and of the audit and control committee, with the consequent extinction of its legal personality."

SECTION A.6.2 cont'd:

That shareholder agreement formed the subject matter of a price-sensitive information report filed by Portman Baela with the CNMV on 29 December 2009 (number 118302) disclosing the conclusion of a shareholder agreement in relation to the legal-person shareholders of Portman Baela, the holder of 40.820% of share capital in Ferrovial. In addition, the de facto concerted action among the shareholders of Portman Baela has ceased."

In the same price-sensitive information report the company disclosed to the market the notification received from Karlovy, S.L. as to the cessation of the effects of the shareholder agreement regarding Ferrovial, S.A. ("Ferrovial") by reason of the sale by Portman Baela, S.L. ("Portman Baela") of all its 301,130,059 shares in Ferrovial to its direct and indirect shareholders Menosmares, S.L.U., Rijn Capital BV, Soziancor, S.L.U. and Siemprelara, S.L.U., and the sale by Karlovy itself of all the 18,426 shares of which it was the direct holder to those same companies, as reported by Ferrovial to the CNMV in a price-sensitive information report filed on 4 August (number 227311). That shareholder agreement formed the subject matter of a price-sensitive information report filed by Karlovy with the CNMV on 29 December 2009 (number 118302) disclosing the conclusion of a shareholder agreement in relation to the legal-person shareholders of Karlovy, the direct holder of 0.002% and the indirect holder, through Portman Baela, of 40.820% of share capital in Ferrovial. In addition, the de facto concerted action among the shareholders of Portman Baela has ceased."

SECTION A.9 cont'd:

- 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 remuneration programmes whose purpose or mechanism is the delivery of shares or stock options, in accordance with article 146.1.a) of the Capital Companies Act.
- Powers to subdelegate: the powers conferred by this resolution may be subdelegated to the Executive Committee, the Chairman or the Managing Director of the Company, and, in any case, may be exercised at any time by the persons designated in the Company's Internal Code of Conduct under the terms set out therein.

This authorisation replaces the one adopted on the same subject by the Shareholders' Meeting on 22 October 2009, which is rendered null and void in the part not used."

SECTION C.1.2

The table indicates the date of the first appointment of the Directors of Ferrovial, S.A., the entity resulting from the merger between Grupo Ferrovial, S.A. and Cintra Concesiones de Infraestructuras de Transportes, S.A. ("Cintra") in 2009. However, the dates of first appointment to the Board of the Directors of the former Grupo Ferrovial S.A. are as follows:

Rafael del Pino y Calvo-Sotelo: 9.1.1992

Santiago Bergereche Busquet: 23.2.1999

Joaquín Ayuso Garcia: 22.3.2002

Íñigo Meirás Amusco: 20.10.2009

Juan Arena de la Mora: 26.6.2000

Ms. María del Pino y Calvo Sotelo: 29.9.2006

Santiago Fernández Valbuena: 29.5.2008

The Directors Jose Fernando Sanchez-Junco, Joaquín de Pino Calvo-Sotelo, Leopoldo del Pino Calvo-Sotelo, Howard Lee Lance and Oscar Fanjul Martín were not on the Board of Directors of Grupo Ferrovial, S.A.

SECTION C.1.17

Rafael del Pino y Calvo-Sotelo is the natural-person representative of the Director-Chairman at Karlovy, S.L.

SECTION C.1.19 cont'd:

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 the good governance recommendations taken up by the company.

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

Executive Directors must resign when the Board sees fit.

Directors will place their positions at the disposal of the Board of Directors and, if the Board considers appropriate, formalise their resignation in the following cases:

- a) When they are in any situation giving rise to a conflict of interest or otherwise prohibiting them from holding office, whether provided for by law or by company regulations.
- b) When the Board requests it for having seriously breached his/her obligations as director.
- c) When his/her position on the Board may put at risk the interests of Ferrovial.
- d) When his/her continuing on the board might, in the board's view, harm the company's image and reputation. In particular, if any legal proceedings or hearings are entered into against the director for an offence specified under corporate legislation, the Board shall examine the matter as promptly as possible and, based on the particular circumstances, decide whether or not the Director should continue in their position. This decision should be fully disclosed in the Company's annual corporate governance report.
- e) When he/she reaches the age of 72 years.
- f) When there are significant changes in their professional situation or in the conditions by virtue of which they were appointed Directors.

SECTION C.1.39

For the purposes of this section, the data for years prior to the merger in 2009 referring to Ferrovial, S.A. are of Cintra.

SECTION C.2.1. Continued:

In 2015, the following changes were made to the composition of the board committees:

Executive Committee: in July, Jaime Carvajal Urquijo stepped down and Óscar Fanjul Martín was appointed.

Audit and Control Committee: (i) in September Portman Baela, S.L. ceased in office and in October, to fill that vacancy, Santiago Bergareche Busquet was appointed; (ii) in December Juan Arena de la Mora stepped down as committee chairman and was replaced by Santiago Fernández Valbuena.

- Nomination and Remuneration Committee: in July, Jaime Carvajal Urquijo stepped down as committee chairman and member. Santiago Bergareche Busquet was appointed chairman, and Santiago Fernández Valbuena was appointed as a new member.

Audit and Control Committee:

Operations

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 pursuant to being convened by its Chairperson, who should do so when so requested by the Board of Directors, the Chairperson of the Board of Directors, or two member of the Committee, and in any event, when required for the proper performance of its functions.

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 board regulations will apply.

Any member of the management team or Company personnel will be obliged to attend the Committee's sessions and to provide them with his/her assistance and access to the information s/he has available, if so requested. When so determined by the Committee, this appearance shall be performed without the presence of any other directive.

The Committee may also request that the Company's auditors attend its sessions.

Also issue a report on its operations, which will be published on the Company website with sufficient notice prior to the Ordinary General Meeting of the Company.

Unless provided for in particular by the Committee, the regulations of the Board of Directors will be applicable with regard to convening notices, the constitution and adoption of agreements, as long as this is compatible with the nature and function of the Committees.

Most important actions

Economic financial information ("EFI")

Throughout the financial year the committee has examined that information ahead of its being laid before the board or disclosed to the authorities or the markets, for which purpose the committee has had the assistance of the finance department.

Relations with the statutory auditor

The committee evaluated the services provided by the statutory auditor over the past five years, and resolved to propose to the board, for subsequent submission to the general meeting, the re-election of Deloitte, S.L. as statutory auditor of Ferrovial, S.A. and its consolidated group for financial year 2016.

Review of the financial statements and of the half-year financial report

The statutory auditor appeared before the committee on the occasion of the filing of the financial statements for 2014. The auditor also gave an account of its limited review of the corporate liability information set out in the comprehensive annual report, which was to be authorised for issue by the board for the first time.

The auditor likewise reported on its limited review of the financial statements for the six-month period ended 30 June 2015 and on the key points emerging from its review of the financial statements for the period ended 30 September, in preparation for the audit of the full-year financial statements for 2015.

Independence of the statutory auditor

Under article 529 quaterdecies 4.e) LSC, the committee must annually receive from the auditor a statement of its independence facing the company and its directly and indirectly related parties, and a disclosure of any additional services provided and of fees received.

Moreover, paragraph 4 f) of that article includes, among the powers and duties of the audit and control committee, the annual issuance, prior to the audit report, of a report stating (i) an opinion on the auditor's independence, and (ii) an assessment of any additional services, considered individually and as a whole, other than statutory auditing, provided by the auditor or its related parties to the company or its related parties (in relation to financial year 2015 that report must be issued at the committee's first meeting in 2016 and published on the company's website sufficiently in advance of the general meeting, in accordance with article 21 f) of the board regulations).

Based on the internal procedure that tracks the provision of non-audit advisory and consultancy services, the committee authorised the engagement of certain services from the external audit firm (and other audit firms) and regularly received information on the volume of such non-audit services.

Internal control procedures

The committee was briefed by the statutory auditor on the main internal control recommendations put forward as a result of its audit of Ferrovial, and on the follow-up of recommendations issued in response to the previous year's audit.

The finance department reported to the committee on (i) work done in 2015 on the financial reporting internal control system, (ii) the introduction of an end-to-end IT platform to manage the entire financial reporting internal control process, (iii) recent legal developments in this field, and (iv) the action plan for 2016.

Internal Audit

- The committee examined the internal audit activity report for 2014, setting out conclusions, a breakdown of the key areas for improvement, the state of implementation of the recommendations made as a result of this year's and previous years' internal audit tasks, and the internal auditors' quality assessment.
- The committee examined the annual report for 2014 and the 2015 first-half report on whistle-blowing channels and the rest of measures put in place to prevent, detect and manage fraud.
- The committee was briefed on the state of progress on scheduled tasks as at the end of the third quarter of 2015. Work was found to be on schedule. Progress achieved in identified areas for improvement was examined, for both 2015 and for recurring issues.
- The committee heard a report on the outcome of the review of the financial reporting internal control system implementation process and of the specific steps taken to ensure compliance.

- The committee adopted the audit work plan for 2016 and the related budget.

Risk analysis and control systems.

The Ferrovial risk department has regularly briefed the committee on the main risks and contingencies faced by the company and its group and on the systems in place to identify, manage and control such risks.

The tax advice department reported on (i) tax risk management systems and on (ii) assessment of such systems and alternatives for supervising them.

Actions on corporate governance and compliance

- In advance of its authorisation for issue by the board, the committee reported favourably on the annual corporate governance report for 2014.

The committee was briefed on proposed alterations to the Bylaws and to the rules and regulations of the general meeting of shareholders, and on the proposed rules of operation of the shareholders' online forum.

- The committee examined proposals to adopt the crime prevention model and to alter the crime prevention protocol.

- The committee submitted to the board a proposed alteration to the board regulations aimed at bringing them into line with recent legal development and good governance recommendations.

Nomination and Remuneration Committee:

Moreover, in relation to the executive committee and the board's advisory committees, the nomination and remuneration committee proposed: (i) the appointment of Óscar Fanjul Martín as a member of the executive committee; (ii) the appointment of Santiago Fernández Valbuena as a member of the nomination and remuneration committee; (iii) the appointment of Santiago Bergareche Busquet as a member of the audit and control committee; and (iv) the appointment of Santiago Bergareche Busquet as chairman of the nomination and remuneration committee.

In addition, the committee reviewed the amount and nature of independent directors' related-party transactions in 2014, and, taking the view that these did not impair those directors' ability to perform their duties in that capacity, it approved the reasoned statement set out in the draft annual corporate governance report for that year (section C.1.3). The committee also examined the present composition and membership of the board and reviewed the category attributed to each director.

Finally, the committee proposed a director selection policy to the board. In relation to the remuneration of directors and senior officers: The committee reported favourably on the draft directors' remuneration annual report for 2014. As to directors' remuneration in their capacity as such, the committee proposed to the board (i) the settlement for 2014 in accordance with the itemisation set out in the directors' remuneration annual report, and (ii) the maximum annual amount of remuneration upon application of the automatic review mechanism established by the shareholders at general meeting.

Regarding executive directors' remuneration, the committee proposed to the board (i) their variable remuneration for 2014, (ii) their fixed remuneration for 2015, and (iii) the ratification of their contracts with the company and modification of those contracts for the purposes of compliance with article 249.4 LSC.

As to senior management officers, the committee proposed to the board (i) their variable remuneration for 2014, (ii) their fixed remuneration for 2015.

Finally, the committee also laid before the board the terms of the third long-term incentives scheme (2016-2018 share payment scheme).

Regarding appointments of senior executives and appointments at subsidiaries

The committee reported favourably on the appointment of María Dionis Trenor as head of human resources; it also proposed the framework terms of her contract.

The committee reported on the appointment of Ferrovial representatives on the boards of the key subsidiaries and investees.

On other matters

The committee reviewed the succession plan for the chairman, the chief executive officer and the executive committee.

The committee examined the dedication of non-executive directors and their professional commitments outside their Ferrovial directorships.

The committee saw a report on the results of the work environment survey.

The committee heard a report on senior executive mobility and talent management.

SECTIONS D.2 and D.3

In the related Note to the consolidated and individual financial statements, Ferrovial provides information on the main transactions performed in 2015 with related parties in the ordinary course of the Company's and its group's business and on an arm's length basis.

Recommendation 60:

On 15 December 2015 the board adopted the director remuneration policy, which expressly incorporates this recommendation ("operation of annual variable pay for executive directors"). The policy is made public contemporaneously with the publication of this annual corporate governance report. It is to be laid before the general meeting, the organ that is competent under the law to adopt it (article 529 novodecies.1 of the Spanish Companies Act), but in our view the opinion formally given by the board before 31 December 2015 suffices to satisfy that recommendation as at that date.

3.

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

This Annual Corporate Governance Report was adopted by the company's Board of Directors at its meeting held on 25 February 2016.

List whether any directors voted against or abstained from voting on the approval of this Report.

Yes

No