

ANNUAL REPORT ON DIRECTORS' REMUNERATIONS FOR LISTED PUBLIC LIMITED COMPANIES

DETAILS OF THE ISSUER

END DATE OF FINANCIAL YEAR REFERRED TO 31/12/2019

COMPANY TAX ID No (CIF): A81939209

Company Name:

FERROVIAL, S.A.

Registered Address:

Príncipe de Vergara, 135 Madrid

ANNUAL REPORT ON DIRECTORS' REMUNERATIONS FOR LISTED PUBLIC LIMITED COMPANIES

REMUNERATION POLICY FOR THE COMPANY FOR THE FINANCIAL YEAR IN COURSE

A.1 Explain the current directors' remuneration policy applicable to the current financial year. As far as is relevant, certain information may be included by reference to the remuneration policy approved by the general shareholders' meeting, provided that the incorporation is clear, specific and precise.

A description must be given of the specific determinations for the current financial year, both of the remunerations of directors due to their standing as such and for the performance of executive functions, which the board has carried out in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general meeting.

In any case, at least the following aspects should be reported:

- Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its conditions.
- Indicate and, where appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.
- Information on whether any external adviser has participated and, if so, the identity of the adviser.

A.1.1. Current remuneration policy applicable to the current financial year. General principles and criteria

The combination of talent and commitment of our professionals is one of the pillars of Ferrovial, S.A. ("**Ferrovial**", the "**Firm**" or the "**Company**"). For this, we determine the policy and practices regarding remuneration to attract, retain and commit the best professionals and thus achieve the long-term objectives of the Company. In addition, the economic environment, the Company's results, the strategy of the Ferrovial Group (the "**Group**"), legal requirements and best market practices are taken into consideration when defining the remuneration policy.

Taking into account the above, Ferrovial's remuneration policy is based on the following principles and criteria:

- Creation of long-term value, aligning the remuneration systems with the strategic plan.
- Attraction and retention of the best professionals:
 - External competitiveness in settling remuneration, with market references through analysis of comparable sectors and companies;
 - Periodic participation in plans linked to the share price and to certain metrics of profitability.
- Responsible achievement of objectives in accordance with the risk management policy of the Company.
- Maintenance of a reasonable balance between the different components of fixed remuneration (short-term) and the variable (annual and long-term), reflecting an appropriate assumption of risks combined with attainment of the targets defined.
- Transparency in the remuneration policy.

The current remuneration policy for Ferrovial's directors (the "**Directors**") is that approved, at the proposal of Ferrovial's Board of Directors (the "**Board of Directors**"), by Ferrovial's General Shareholders' Meeting (the "**General Shareholders' Meeting**" or the "**General Meeting**") held on 5 April 2019.

Notwithstanding the foregoing, the approval of a new remuneration policy for 2020 to 2022 is planned to be submitted to the next General Shareholders' Meeting, which maintains in similar terms the elements and characteristics that were applied in 2019, with the modifications detailed in section A.2. below.

A.1.2. Specific determinations, both of directors' remuneration for their standing as such and for the performance of executive duties.

The remuneration of the Directors in their standing as such has been established up to now taking into account the maximum limit that the General Shareholders' Meeting established in 2009 and the changes made in the CPI. However, as detailed in section A.2 below, a new Directors' remuneration policy is planned to be submitted to the next General Shareholders' Meeting for approval, in which it is proposed the modification of the determination of that maximum annual amount.

As a consequence of said modification, the total maximum remuneration for 2020 for belonging to the Company's Board of Directors that has been proposed is € 1,847,798.15, the same amount as in 2019. (subject to the application of said amount for approval by the General Shareholders' Meeting).

The remuneration consists of the following remuneration elements: (i) fixed allowance, (ii) attendance fees and (iii) supplementary fixed allowance. The details and amounts of these remunerations are explained in section A.1.7. below.

The total compensation of Ferrovial's executive directors (the "Executive Directors") consists of different compensation elements, which consist primarily of (i) a fixed remuneration, (ii) a variable short-term remuneration and (iii) a variable long-term remuneration. These remuneration elements are described in detail in sections A.1.8, A.1.9 and A.1.10.

A.1.3. Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its conditions.

The bodies involved in the approval of the Remuneration Policy are the Board of Directors, the Nominations and Remunerations Committee and the General Shareholders' Meeting, the latter being competent to approve it in accordance with article 22.2.d) of the Bylaws and in accordance with current legislation.

The Board, with the proposal from the Nominations and Remunerations Committee, considers the following premises in order to establish the remuneration policy:

- i) The applicable legal regulations.
- ii) What is established in the Bylaws and Board of Directors Regulations for the Company: Article 56 of the Bylaws establishes that the members of the Board of Directors have the right to receive an annual amount, established completely and jointly for all members of the Board by the General Shareholders' Meeting.

Article 33 of the Board of Directors Regulations, with regards to the remuneration for directors, establishes that:

- Any remuneration that is paid to Directors for exercising or terminating their position and for performing their executive duties, will be in line with the remuneration policy for Directors that is applicable at all times, except for the remunerations that have been expressly approved by the General Meeting.
- In any case, the remuneration of Directors should be in due proportion to the importance of the Company, its financial situation at any given time, and the market standards for comparable

companies.

- It shall be as necessary to attract and retain Directors of the desired profile and to reward the dedication, qualification and responsibility demanded by the position, but not so high as to compromise the independence of judgement of the Non-Executive Directors.
- The Board of Directors shall be responsible for determining the remuneration of each Director as such, in accordance with the law and the Bylaws, and shall take into account for this purpose the remit and responsibility attributed to each Director, membership of Committees of the Board and such other objective circumstances as it may deem relevant
- The Board of Directors shall be responsible for the remuneration of the Executive Directors in compliance with what is stipulated by law and in the remuneration policy for Directors approved by the General Meeting.

In addition to the foregoing, Article 9.3 of the Board Regulations also states that the Board shall prepare an annual report on the remuneration of its Directors, under the terms established in current legislation, which shall be disseminated and submitted to the consultative vote of the General Shareholders' Meeting as a separate item on the agenda.

iii) The following internal criteria regarding the Executive Directors:

- Breakdown of the remuneration as fixed and variable targets.
- Association of the variable part to the achievement of corporate targets.
- Alignment with Ferrovial's interests through:
 - Periodic participation in plans linked to the share price and to certain metrics of profitability;
 - Recognition, in certain cases, of a deferred remuneration concept.
 - No commitments to pensions.
 - Executive Directors will be limited to the remuneration formulas consisting in the awarding of shares, options, instruments referenced to the value of the share or related with the company's performance.

iv) The targets established in the group strategic plan, which allow, among other things, for metrics to be established with which annual variable and long-term remuneration is associated.

v) Market information. See, in this regard, section A.1.4. below.

The composition and functions of the Nominations and Remunerations Committee is as follows:

- José Fernando Sánchez-Junco Mans (Chairman), Independent External Director.
- Bruno Di Leo, Independent External Director.
- Santiago Fernández Valbuena, Independent External Director.
- Hanne Sorensen, Independent External Director.

The most important duties of the Nominations and Remunerations Committee include:

- To propose the appointment of independent directors and to report on the proposals for appointment of the other directors, as well as the chief executive officer of Ferrovial (the "Chief Executive Officer").
- Report on the appointment of the members who must form part of each of the Committees.
- Analyse the process that allows the succession ordered by the Chairman and the CEO.
- Report on the appointment and removal of those managers who are directly responsible to the CEO.
- Propose the system and the amount of annual remuneration of the Directors.
- Propose the basic conditions of the contracts for senior managers.

In 2019, the Nominations and Remuneration Committee met seven times.

During 2019 and until the date of approval of this report, the most important actions of this Committee have been related with:

- Closing of the remuneration for the financial year 2018 of the Directors, in their standing as such;
- Proposal for the 2019 fixed remuneration of the Executive Directors and report on the fixed remuneration of the Management Committee. To this end, the information used by the General Human Resources Department to establish fixed remuneration bands that are appropriate to the position and functions performed, as well as to its competitive position in the market, has been reviewed.
- Evaluation of the proposal for variable annual remuneration for 2018 payable in 2019 to the Executive Directors and Report on that of the Management Committee;
- The variable remuneration of the executive directors has been reviewed: (i) the amount of the variable remuneration, expressed as a percentage of the fixed remuneration, (ii) the compliance criteria to which the assessment of the variable remuneration is linked and (iii) the quantitative and qualitative targets to which it is linked.
- Proposed allocation of units from the 2019 Share Delivery Plan to the Executive Directors and report on the allocation of units to the members of the Management Committee and assessment of compliance with the corresponding metrics.
- Evaluation of the Board.
- Verification of observance of the remuneration policy of the Company
- Discussion and submission to the Board of the 2019 Long Term Incentive Plan and the 2020-2022 Long Term Incentive Plan.

Lastly, in those cases in which the law establishes so, the approval of the prescriptive matters is subject to the General Meeting, including the remuneration plans granted to Executive Directors consisting of delivery of shares, rights of option for them or that refer to the value of the shares.

A.1.4. Indicate and, where appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.

During the 2019 financial year, an analysis of the remuneration of the Directors in their capacity as such and of the Executive Directors has been undertaken.

With respect to the remuneration of Directors in their capacity as such, the market information in Spain is analysed, in particular, in IBEX35 companies and also in the comparison group used for Executive Directors.

In relation with the Executive Directors, the market that is taken as a reference point by the Nominations and Remunerations Committee to establish the different components for the remuneration is established based on the following criteria: (i) number of companies that are sufficient to obtain representative results that are reliable and solid statistics; (ii) dimension data: turnover, degree of internationalisation, assets and number of employees; (iii) scope of responsibility: companies listed mainly on the IBEX35 and multinationals in the sector and (iv) sectorial distribution: multi-sector sample with relevant weighting of the construction and services, energy and financial sectors.

As a result, the comparison group is formed, for 2019, by the following 24 companies: Acciona, ACS, Atlantia, Balfour Beatty, BBVA, Eiffage, Fraport, Naturgy, Granite, Iberdrola, Inditex, Indra, Kier, Mitie, AdP, Repsol, Santander, Serco, Skanska, SNC Lavalin, Strabag, Telefónica, Transurban and Vinci.

According to the report prepared by Willis Towers Watson, Ferrovial's size in terms of turnover, market capitalisation, total assets and employees for the last financial year with respect to this comparison group would be aligned in accordance with the median of the comparison group, which reinforces this comparison group as the appropriate one to take into account for the analysis exercise.

A.1.5. Information on whether any external adviser has participated and, if so, the identity of the adviser.

The Company uses reports prepared by external advisers. In 2019, Garrigues Human Capital Services and Willis Towers Watson have provided services, on various remuneration issues, to make comparisons with external organisations of similar size and structure and to ensure that executive directors' remuneration is at a competitive level.

KPMG has acted as advisor for the evaluation of the Board and Egon Zehnder and Alemany & Partners have assisted in the selection of Board members.

- The relative importance of variable remuneration items with respect to the fixed items (remuneration mix) and what criteria and objectives have been taken into account in their determination and to guarantee an appropriate balance between the fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, including, where appropriate, a reference to measures envisaged to ensure that the remuneration policy takes account the company's long-term performance, measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the institution and measures envisaged to avoid conflicts of interest, where appropriate.

Likewise, state whether the company has established a period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether a clause has been agreed to reduce deferred remuneration or oblige the director to return remuneration received, when such remuneration has been based on data whose inaccuracy has subsequently been clearly demonstrated.

A.1.6.

As far as directors are concerned in their standing as such, the remuneration policy, within the framework indicated before, aims to remunerate directors in a suitable way for their professional value and experience, as well as for their dedication and the responsibility taken on by them, without which the remuneration paid may compromise their independence. In this line, the remuneration of the Directors in their capacity as such includes a fixed cash allocation (annual fixed plus supplementary fixed) and allowances for attendance at meetings.

In addition to the above remuneration, the remuneration of the Executive Directors consists of different remuneration elements, which mainly consist of: (i) a fixed remuneration, (ii) a variable short-term remuneration and (iii) a variable long-term remuneration.

With respect to the remuneration mix, Ferrovial's compensation policy establishes an appropriate balance between the fixed and variable components of compensation. Accordingly, in a scenario of standard compliance with the objectives linked to variable remuneration, fixed remuneration for executive directors represents around 25/35% of total compensation (fixed annual variable long-term incentive at grant value) while 75/65 % is variable. This proportion is considered sufficiently high and not excessive.

Ferrovial's remuneration policy is designed in consideration of the strategy and the long-term results of the Company:

- a) The Long-Term Incentive Plans form part of a pluriannual framework to guarantee that the process of evaluation is based upon the long-term results and that it takes into account the underlying economic cycle of the Group. This remuneration is granted and paid in the form of shares upon the base of the creation of value, in such a way that the interests of managers are aligned with those of the shareholders. In addition, they are overlapping cycles that as a general rule are linked in time maintaining a permanent focus on the long-term concept in all decisions.
- b) For Executive Directors, in a scenario of meeting standard targets, the long-term element has a weighting of approximately 25/35% of the total compensation (fixed variable annual long-term incentive at granting value).
- c) The variable components of the remuneration have sufficient flexibility to allow their modulation to the extent that it could be possible for their value to be nil. Under circumstances where the objectives linked to variable remuneration are not met, the Executive Directors will only draw the fixed remuneration.
- d) The Nominations and Remunerations Committee is made up of four members, one of whom is also a member of the Audit and Control Committee. The intersecting membership of these two Committees favours taking into consideration the risks associated to the remuneration in the deliberations of the cited Committees and in their proposals to the Board, both in determining and in the evaluation process for the annual and pluriannual incentives.
- e) Ferrovial has implemented a comprehensive risk management system called Ferrovial Risk Management ("FRM"). This system, directed at an association of the risks analysed with the objectives which those risks jeopardize, is applied to all the lines of business of the Group, including those investee companies in which management capacity is held. The Compliance and Risks Department is the unit responsible for coordinating the application and benefits of FRM.

In accordance with Article 38.2 m) of the Company's Bylaws, it is for the Board to determine the Risks Control and Management Policy. The Board has established that Ferrovial's policy in this area manifests itself in the following principles:

- Corporate Ethics.
- Awareness and proportionality of the risk assumed.
- Segregation of responsibilities.
- Valuation of risks.
- Protection of the health and safety of people.
- Segregation of responsibilities.
- Transmission of information.
- Integration and coordination.

The remuneratory systems for the Executive Directors described above implicitly include measures of control over excessive risk in their design.

On the one hand, the qualitative targets (30% of the annual variable remuneration of the CEO) implicitly include a performance evaluation of the assumption of risks and compliance with the policies established for these purposes. On the other hand, the design of the Long Term Incentive Plans with cycles of three (3) years each, produces an interrelation of the results of each year,

therefore acting as a catalyst for alignment with the long term interests of the Company and prudent decision making.

With regard to the formulas or clauses for the reduction of remuneration, or the recovery of variable components of remuneration where such components have been paid on the basis of data which has subsequently been clearly shown to be incorrect, and, where appropriate, the measures provided for to avoid conflicts of interest, it is important to emphasise:

- (i) The Nominations and Remunerations Committee is empowered to propose, to the Board of Directors, the cancellation of the payment of the variable remuneration in circumstances of this kind.
- (ii) The Nominations and Remunerations Committee will assess whether exceptional circumstances of this type may even lead to the termination of the relationship with the relevant manager(s), and will propose to the Board of Directors the adoption of any appropriate measures.
- (iii) the contractual agreements of the Executive Directors include a clause which enables the Company to claim reimbursement of variable components of the remuneration if these were paid upon the basis of data whose inaccuracy has been subsequently accredited.

- Amount and nature of the fixed components expected to accrue to directors in their capacity as such during the year.

A.1.7.

The remuneration of the Directors in their standing as such has been established up to now taking into account the maximum limit that the General Shareholders' Meeting established in 2009 and the changes made in the CPI. However, as detailed in section A.2 below, a new Directors' remuneration policy is planned to be submitted to the next General Shareholders' Meeting for approval, in which it is proposed the modification of the determination of that maximum annual amount.

As a consequence of said modification, the total maximum remuneration for 2020 for belonging to the Company's Board of Directors that has been proposed is € 1,847,798.15, the same amount as in 2019. (subject to the application of said amount for approval by the General Shareholders' Meeting).

The remuneration consists of the following remuneration elements:

- a) Fixed emolument: Remuneration of the Board of Directors pursuant to the Bylaws, paid on a quarterly basis. The goal is the appropriate remuneration for the dedication demanded by the post, without reaching levels which compromise the independence of the Director. The amount per Director amounts to €35,000 per year.
- b) Allowances:
 - For effective attendance at the Board of Directors: €6,000 /meeting
 - For effective attendance at the Executive Committee: €2,200 /meeting
 - For effective attendance at the Audit and Control Committee: €2,200 /meeting
 - For effective attendance at Committee of Appointments and Remunerations: €1,650 /meeting

The amount of the allowances corresponding to the Chairmen of these bodies is double the amounts indicated, in line with the principle of rewarding according to the level of responsibility and dedication required by the position.

- c) Complementary fixed emolument Remuneration pursuant to the Bylaws which is paid in a single sum once the financial year is over.
- Chairman of the Board: €92,000 p.a.
 - First Vice-chairman: €80,500 p.a.
 - Second Vice-chairman: €57,500 p.a.
 - Other Board members: €46,000 p.a.

The amounts corresponding with sections a, b, c mentioned will be able to be amended each year within the framework of Article 56 of the Bylaws and within the maximum amounts approved by the General Meeting.

If, as a consequence of a number of meetings greater than that initially envisaged, or for some other reason, the amount of the attendance fees, added to that of the fixed components were greater than the total maximum remuneration fixed for membership of the Board for the year in course, the difference shall be deducted from the amount of the complementary fixed emolument, proportionally for each Director, depending on their standing.

- Amount and nature of the fixed components that will be accrued in the year for the performance of senior management duties of the executive directors.

A.1.8.

In accordance with the Policy, the remuneration contained in this section is additional to that established in the previous section.

As indicated above, Directors for performing executive duties within the Company receive a Fixed Remuneration established in accordance with the criteria expressed in section A.1.4., which is paid monthly.

The amounts for the financial year 2020 are as follows:

- Chairman: € 1,500 thousand
- Chief Executive Officer (Mr. Ignacio Madridejos): €1,000 thousand

- The amount and nature of any component of remuneration in kind that will be accrued in the financial year including, but not limited to, the insurance premiums paid in favour of the director.

A.1.9.

In accordance with the remuneration policy, Executive Directors may allocate a portion of their annual gross fixed remuneration to obtain some of the products or services offered by the company within the flexible remuneration plan, such as life insurance, accident insurance, health insurance, company vehicles.

In addition, the company has taken out life insurance policies to cover the risk of demise and incapacity of the Executive Directors.

- Amount and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current year, an explanation of the extent to which these parameters relate to the performance of both the director and the entity and to its risk profile, and the methodology, period required and techniques envisaged to determine, at the end of the year, the degree of compliance with the parameters used in the design of variable remuneration.

Indicate the range in monetary terms of the different variable components according to the degree of compliance with the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.

A.1.10.

The remuneration policy only attributes variable component elements to Executive Directors.

i) Annual variable remuneration:

These are linked to individual performance and to the attainment of specific economic-financial, industrial and operational targets, which are predetermined, quantifiable and aligned with the corporate interest as envisaged in the strategic plans of the Company. This is without prejudice to the possibility of weighing up other targets, particularly in the area of corporate governance and corporate social responsibility, which may be of a quantitative or qualitative nature.

In accordance with the current remuneration policy, the quantitative targets have a weight of at least 50% in the overall incentive. However, as detailed in section A.2 below, a new remuneration policy is planned to be submitted to the next General Shareholders' Meeting for approval, in which it is proposed to raise the minimum weighting of remuneration from the current 50% to 60%.

These quantitative targets are made up of metrics that guarantee an adequate balance between the financial and operational aspects of the Company's management. Specifically, for the financial year 2020, they have a weighting of 60% for the Chairman and 70% for the Chief Executive Officer, and are as follows:

- 55% Net Result;
- 45% Cash Flow;

When determining the level of compliance with these targets, the Company eliminates those extraordinary results that could introduce distortions in the evaluation criteria, adjusting to the pro-forma result.

On the other hand, the qualitative targets have a weighting of at least 30% in the whole of the annual Variable Remuneration. These are principally linked to the evaluation of the individual performance of the Executive Directors. However, as detailed in section A.2 below, a new remuneration policy is to be submitted to the next General Shareholders' Meeting for approval, in which it is proposed that the weighting of remuneration be set at a maximum of 40%.

More specifically, for the financial year 2020, these targets will have a weighting of 40% for the Chairman and 30% for the CEO.

In the case of the Chairman, the following will be taken into account:

- Operation of the Board and the Executive Committee.
- Corporate Governance.
- Strategic plan.
- Successions.
- Institutional relations.

In the case of the CEO, the following will be taken into account:

- Compliance of the strategic plan.
- Employee health and safety, as measured by the Company's accident rates.
- Promotion of Innovation and Corporate Social Responsibility-Sustainability.
- Development of professional teams that guarantees the stability in the management and attainment of strategic targets of the organisation.
- Suitability and monitoring of the procedures associated with the taking on of controlled risk.
- Relationship with stakeholders.

The target *amount* of the annual variable remuneration of the Executive Directors, i.e. that which corresponds to a standard level of achievement of the objectives, is equivalent to 125% of the Fixed Remuneration for the Chairman and 100% for the CEO. The quantitative targets have an associated scale that allows the exceeding of targets to be rewarded up to a limit, so the annual variable remuneration can reach up to 190% of the Fixed Remuneration for the Chairman and 150% for the CEO.

ii) Long-Term Incentive Plan.

The Executive Directors participate in a long-term variable remuneration system based on delivery of share plans.

With the exception of the 2019 Plan, which will be detailed below, and which is structured in a single three-year cycle, both the 2016-2018 Plan and that which is expected to be submitted for approval at the next General Meeting (2020-2022 Plan) are structured in three overlapping cycles of three years each, with units being assigned each year at the beginning of each cycle, which can be converted into shares at the end of the cycle (after three years). The assigned units may be converted into shares if (i) they remain in the Company for a maturity period of three years from the date of assignment of the units, except in exceptional circumstances such as retirement, incapacity or death, and (ii) certain objectives linked to internal or external metrics are met that reflect economic-financial and/or value-creation objectives for the company. Each metric is associated with a scale of achievement that establishes a minimum level of compliance, under which no incentives are paid, as well as there being a maximum.

The following plans are currently in place:

2016-2018 Plan:

This Plan is structured as detailed above and is linked to the following metrics:

- **Gross Operating Profit on Net Productive Assets:** The consolidated Gross Operating Profit of the Company will be considered the operating profit, adding to it the gross operating profit of the companies that are integrated by the equity method in the process of preparing the consolidated financial statements, in that share percentage that is held in them.

With respect to the concept of Net Productive Assets, the total amount of the assets that appear in the consolidated balance sheet of the Company will be considered as such, excluding the assets that can be assigned to projects in the unpaid construction phase. The value corresponding to the proportionate share of the net productive assets of companies integrated by the equity method shall be added to the profit, except in any case the share for the revaluation of companies arising from divestment processes with loss of control.

- Total Shareholder Return (TSR) in comparison with the following group of companies: ACS, OHL, FCC, Atlantia, AdP, Fraport, Serco, Mitie, Eiffage, Vinci, Strabag, Skanska, Balfour Beatty, Transurban, SNC Lavalin, Kier and AENA.

2019 Plan:

In 2019, the Company approved a new Long-Term Incentive Plan of similar characteristics to the previous ones at the General Shareholders' Meeting held on 5 April 2019, for the allocation of units in 2019, but consisting of a single three-year cycle. The metrics to which this incentive is linked are as follows:

- Consolidated operating profit on net productive assets (weighting 50%): The Company's consolidated operating profit will be considered to be the operating profit, to which the operating profit of the companies consolidated by the equity method will be added in the process of preparing the consolidated financial statements, in the percentage of ownership held by them.

With respect to the concept of Net Productive Assets, the total amount of the assets that appear in the consolidated balance sheet of the Company will be considered as such, excluding the assets that can be assigned to projects in the unpaid construction phase. The value corresponding to the proportionate share of the net productive assets of companies integrated by the equity method shall be added to the profit, except in any case the share for the revaluation of companies arising from divestment processes with loss of control.

- Total Shareholder Return (TSR) compared to the next group of companies (weighting 50%): ACS, Downer, Granite, Atlantia, AdP, Fraport, Serco, Mitie, Eiffage, Vinci, Strabag, Skanska, Balfour Beatty, Transurban, SNC Lavalin, Kier and AENA.

In 2019, the assignment of the Plan was made with the following scale of compliance with the metrics:

2019 PERFORMANCE SHARES PLAN		
OPERATING PROFIT / NET PRODUCTIVE ASSETS (50%)		PAY OUT (%)
Maximum	≥ 9%	50%
Minimum	≤ 8%	0%
TOTAL SHAREHOLDER RETURN COMPARED TO A GROUP OF COMPANIES (50%)		PAY OUT (%)
Maximum	Positions 1 to 5	50%
Minimum	Positions 10 to 18	0%

2020-2022 Plan:

The approval of a new Long term Incentive Plan (Plan 2020-2022) with similar characteristics to the previous ones and structured through three overlapping cycles of three years each is planned to be submitted to the next General Shareholders' Meeting. The conditions for the conversion of units into shares at the end of each cycle will be (i) that they remain with the Company until the end of each cycle, except in exceptional circumstances (i.e. retirement, demise, incapacity, etc.), and (ii) that certain objectives linked to the following metrics are met:

- Activity cash flow (weighting 50 %) The sum of the Cash Flow from Operations before Taxes and the Net Cash from Investments shall be considered as cash flow from activities, excluding investment or divestment operations not committed at the date the Plan was started, as well as the cash flows from operations related to such investments.

- Total Shareholder Return (TSR) compared to the next group of companies (weighting 50 %): ACS, CCR, Granite, Atlantia, AdP, Fraport, Sacyr, Getlink, Eiffage, Vinci, Strabag, Skanska, Balfour Beatty, Transurban, SNC Lavalin, Kier and AENA.

In 2020, the first allocation will be made within the 2020-2022 Plan, with the next scale of compliance with the metrics:

2020-2022 PERFORMANCE SHARES PLAN (2020 Grant)		
ACTIVITY CASH FLOW (50%)		PAY OUT (%)
Maximum	≥977	50%
Minimum	≤663	0%
TOTAL SHAREHOLDER RETURN COMPARED TO A GROUP OF COMPANIES (50%)		PAY OUT (%)
Maximum	Positions 1 to 3	50%
Minimum	Positions 10 to 18	0%

In accordance with the remuneration policy in force, the approximate maximum value of the units granted under the Long-Term Incentive Plans, at prices on the date of the granting, may reach up to 150% of the fixed remuneration of the Executive Directors.

The long-term incentive to be paid in 2020, corresponding to the 2017 allocation, has an approximate value (at allocation date value) of between 85% and 115% of the fixed remuneration of the Executive Directors.

In addition, the current Directors' Remuneration Policy includes a share holding policy which establishes that once the shares or options or rights over shares corresponding to the remuneration systems have been attributed, the Executive Directors must hold (directly or indirectly) a number of Company shares equivalent in value to at least twice their gross fixed remuneration. Nor may they exercise options or rights over shares until at least three years have elapsed from the date on which they were granted. The foregoing shall not apply to shares that the Executive Director needs to dispose of, where appropriate, to meet the costs associated with their acquisition.

- Main characteristics of the long-term savings systems. Among other information, the contingencies covered by the system, if it is a defined contribution or defined benefit system, the annual contribution to be made to defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions of consolidation of the economic rights in favour of the directors and their compatibility with any type of payment or indemnity for termination or early termination, or deriving from the termination of the contractual relationship, under the terms envisaged, between the company and the director shall be indicated.

Indicate whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain targets or parameters related to the short and long-term performance of the director.

A.1.11.

Ferrovial does not have obligations contracted or for pensions with any member of the Board of Directors.

In accordance with the provisions of the current remuneration policy for Ferrovial directors, Executive Directors may participate in a deferred remuneration scheme that will only become effective when the Director leaves the company by mutual agreement upon reaching a certain age, and therefore there are no consolidated rights.

In the new policy proposal, which the Board of Directors is expected to submit for approval at the next General Shareholders' Meeting, maintains this same remuneration scheme.

In accordance with the provisions of the new remuneration policy proposal, 50% of the compensation that the CEO may receive as a result of the termination by mutual agreement will be conditional on compliance with a post-contractual non-competition agreement.

The new Chief Executive Officer, Mr. Ignacio Madridejos, participates in this deferred remuneration scheme in accordance with the provisions of his business contract with the Company.

In the contract signed between Mr. Ignacio Madridejos and the Company, it has been established that 50% of the amount that Mr. Madridejos will receive on his termination will be subject to a two-year post-contractual non-competition agreement.

To cover this extraordinary remuneration, the Company will make annual contributions to a collective savings insurance policy, of which the Company itself is the policyholder and beneficiary, quantified according to a certain percentage that has been set, for 2020, at 20% of the Total Annual Remuneration (fixed remuneration plus target annual variable remuneration of 100%) of the CEO.

The right to receive extraordinary remuneration from the Chief Executive Officer shall be incompatible with the collection of any compensation that the Director may be entitled to receive as a result of the termination of his relationship with the Company.

- Any type of payment or indemnity for early termination or termination of the contractual relationship under the terms established between the company and the director, whether the termination is at the will of the company or the director, as well as any type of agreed pacts, such as exclusivity, post-contractual non-attendance and permanence or loyalty, which give the director the right to any type of payment.

A.1.12.

The payment of any type of compensation to directors in the event of the termination of their duties is not contemplated as such. For Executive Directors, these are detailed in section A.1.13 below.

- Indicate the conditions that should be respected by the contracts, in terms of who exercises senior management duties like executive directors. Among others, it will inform about the duration, the limits to the amounts of compensation, the duration clauses, the notice periods, as well as the payment as replacement

of the cited notice period, and any other such clauses in relation with recruitment bonuses, as well as compensation or shielding due to early termination or termination of the contractual relationship between the company and the executive director. Include, among others, the non-competence, exclusivity, duration or loyalty agreements, as well as post-contractual non-competence, except if they have been explained on a previous section.

A.1.13.

The most important conditions are described below:

- a) Notice period: in the event of termination resulting from causes that are attributable to the Company, they should inform the CEO of the termination with at least three (3) months' notice with regards to the date of termination. Should this period not be complied with, the Company must disburse a sum equivalent to the remuneration corresponding to the period of advance notice remaining
- b) Duration: the contracts subscribed with the Executive Directors are of indefinite duration.
- c) Causes for termination and compensation:
In the case of the Chairman, the extinction of their contract for any reason shall not entitle them to receive compensation of any kind.
For the Chief Executive Officer, the contract will be terminated by the sole will of the Company expressed by resolution of the Board of Directors.
It shall also be immediately and automatically terminated in the event of (i) dismissal or non-renewal as director by the General Shareholders' Meeting; or (ii) revoking in whole or in part, as the case may be, of the powers delegated to him by the Board of Directors or of the powers granted to him by the Company.
In the event of termination, they shall be entitled to gross compensation equal to the greater of the following two amounts:
- (i) the amount resulting from the sum of the annual amount of the fixed remuneration and the *target* variable remuneration for the year in which the contract is terminated; or
 - (ii) the amounts accumulated on the date on which the contract is terminated in the extraordinary deferred remuneration plan referred to in the Long-Term Savings System with a limit of two annual payments of the total annual remuneration.
- d) Exclusivity: the contracts held by the Executive Directors include the obligation to provide services exclusively to the Company, the Director not being permitted to sign contracts with other competitor companies of Ferrovial in their own name, nor through intervening persons, whether these are family members are not, which might entail effective competition with the activities of Ferrovial.
- e) Non-competition: in accordance with article 41.3 of the Regulations of the Board of Directors, the Director who loses that standing may not provide services to any company in effective competition with the Company and its Subsidiaries for a period of two years, whenever those services are of particular transcendence in relation to the activities in question in which the Company and its Subsidiaries also engage. Nor may they be administrator of the same for a period of two years after leaving the Board. These prohibitions may be waived by the Board of Directors.
The contracts signed with the Executive Directors contain a post-contractual non-competition obligation for a period of two years.
In the case of the Chairman, the non-competition clause for 2 years is equivalent to twice his fixed remuneration.
In the case of the Chief Executive Officer, 50% per cent of the amount that they may receive in the event of dismissal will be subject to compliance with the 2-year post-contractual non-competition agreement.

f) Reimbursement clause: the contractual agreements of the Executive Directors include a clause which enables the Company to claim reimbursement of variable components of the remuneration if these were paid upon the basis of data whose inaccuracy has been subsequently accredited.

- The nature and estimated amount of any other supplementary remuneration that will be accrued by the directors in the current financial year in consideration for services rendered other than those inherent to their position.

A.1.14.

On the date of issue of this report, there is no supplementary compensation accrued to the Directors as compensation for the services provided other than those related with their position.

- Other remuneration items such as those deriving, where applicable, from the granting by the company to the director of advances, loans and guarantees and other remunerations.

A.1.15.

In accordance with the remuneration policy in force, there are no plans for the Company to grant advances, loans or guarantees to Directors on account of their status as members of Ferrovial's Board.

- The nature and estimated amount of any expected supplementary remuneration not included in the previous sections, whether paid by the entity or another entity in the group, which will accrue to directors in the current year.

A.1.16.

On the date of issue of this report, no other remuneration concepts has been contemplated in the remuneration system for Directors in relation with those explained in the previous sections.

In the event that Executive Directors of Ferrovial should draw fixed emoluments fees for attendance at meetings of the Boards and Committees of other companies of the Group, the sums drawn for this item shall be reduced from the variable annual remuneration of the Director.

A.2 Explain any significant change in the remuneration policy applicable in the current year arising from:

- A new policy or a modification of the policy already approved by the Board.
- Significant changes in the specific determinations established by the Board for the current year for the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and that are proposed to be applicable to the current financial year.

With respect to the 2020 remuneration policy, the approval of a new remuneration policy for 2020 to 2022 is planned to be submitted to the next General Shareholders' Meeting, which maintains the elements and characteristics of the current remuneration policy under similar terms, with the following modifications:

Specifically:

- With regard to the remuneration of the Directors in their capacity as such, the maximum annual amount was established according to the General Shareholders' Meeting of 22 October 2009 agreement, adjusting the said amount annually with the variation of the annual rate of the month of December of each year corresponding to the Consumer Price Index (National General Index).

The committee understands that the establishment of such maximum amount has not to be adjusted to the evolution of mentioned index, considering that the annual maximum amount has to be the fixed quantity stated in the Directors Remuneration Policy valid in each moment, submitting any variation to the approval of the correspondent General Shareholders meeting.

- Regarding the annual variable remuneration of the Executive Directors, it is proposed:
 - With regard to the weighting of the quantitative objectives, to raise the minimum weighting of these objectives from the current 50% to 60%.
 - With regard to the weighting of the qualitative objectives, to change the weighting of the objectives from a minimum of 30%, as currently drafted, to a maximum of 40%.
 - Fixed remuneration: the amount of the fixed remuneration is updated in accordance with the conditions established in the business contract signed between the new CEO, Mr. Ignacio Madrideo, and Ferrovial, as well as that of the Chairman.
 - As regards the severance compensation of the CEO, this shall be fixed at the higher of the following amounts: an annuity of their fixed compensation plus the Target annual variable compensation, or the amounts accumulated in the Long Terms Savings System with the limit of two years of the total annual remuneration.

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

<https://static.ferrovial.com/wp-content/uploads/2019/12/22152256/24politicaremuneracionesconsejeros2018eng-2.pdf>

A.4 Explain, taking into account the data provided in section B.4, how the vote of the shareholders was taken into account at the general meeting at which the annual remuneration report for the previous year was submitted to a consultative vote.

The remuneration report was supported by 75.54% of the votes cast. Taking into account the shareholders' vote in the year's report, the amendments described in section A.2 have been proposed.

B OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE FINANCIAL YEAR NOW CLOSED

B.1 Explain the process followed to apply the remuneration policy and determine the individual remunerations reflected in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and role of the external advisers whose services have been used in the process of applying the remuneration policy in the closed financial year.

The Board of Directors and the Nominations and Remunerations Committee have strictly applied the Remuneration Policy following the principles established therein.

In 2019, the Board of Directors and the Company's Nominations and Remunerations Committee applied the Remuneration Policy in accordance with the principles, fundamentals and criteria set forth in section A.1.1. of this Report and following the corresponding analysis, it was decided to include certain modifications in it as referred to in the previous section.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adjusting it to the company's long-term objectives, values and interests, including a reference to the measures that have been adopted to ensure that the remuneration accrued has taken into account the company's long-term performance and achieved an appropriate balance between the fixed and variable components of remuneration, what measures have been adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

As established in section A.1.3. above, Ferrovial has applied the Remuneration Policy in the closed financial year, which has been designed considering the strategy established and the long-term results of the Company, as well as establishing an appropriate balance between the fixed and variable components of the remuneration of Executive Directors. Specifically, the measures consist of:

- Not recognising variable remuneration for Directors in their capacity as such.
- Not granting guaranteed variable remuneration to Executive Directors.
- Setting maximum payment amounts.
- Having regulated recovery clauses in the Policy and in the contracts of the Executive Directors.
- The Policy provides for an obligation to hold shares.
- The remuneratory systems for the Executive Directors implicitly include measures of control over excessive risk in their design. In particular, qualitative targets imply an assessment of performance in terms of risk assumption and compliance with policies established for this purpose.
- That the variable components of the remuneration have sufficient flexibility to allow their modulation to the extent that it could be possible for their value to be nil.

B.3 Explain how the remuneration accrued during the year complies with the provisions of the remuneration policy in force.

Also report on the relationship between the remuneration obtained by directors and the company's short and long-term results or other performance measures, explaining, where appropriate, how variations in the company's performance may have influenced the variation in directors' remuneration, including accrued remuneration that has been deferred, and how these contribute to the company's short and long-term results.

The remuneration accrued, both fixed and variable, complies with the provisions of the current Directors' Remuneration Policy and does not exceed the limits established therein.

The variable remuneration of the Executive Directors and senior managers of the Company is linked to various metrics of results and profitability, both corporate and for the business area, during this period. As far as the Executive Directors are concerned, the fulfilment of the results and performance targets set at the beginning of the 2019 financial year has made it possible to determine a total aggregate variable remuneration of € 2,045.5 thousand.

The detail and breakdown of the amounts of short- and long-term variable remuneration is given in section B.7 below and in the corresponding tables in section C.

In accordance with current policy, short-, medium- and long-term variable remuneration systems incorporate measures that take into account possible variations in the Company's results, including:

- Both the annual variable remuneration and the medium- and long-term variable remuneration include defined scales of achievement that take into account the economic-financial and operational objectives of the Company's strategic plan, and in the case of the long-term variable remuneration, also the creation of value for the shareholder. Thus, changes in the Company's performance, in the short and long term, will have a direct impact on the amount of variable remuneration to be received by the Executive Directors.
- In addition, in the case of variable annual remuneration, when determining the level of compliance with quantitative targets, extraordinary results that could introduce distortions are eliminated.
- The variable annual, medium- and long-term remuneration only accrues after the date of preparation of the corresponding annual accounts, after it has been possible to determine the degree of achievement of the quantitative targets.
- All variable remuneration is subject to a recovery clause that allows the Company to claim from executive directors the reimbursement of the variable components of remuneration when these have been paid on the basis of data the inaccuracy of which is subsequently proven.
- In addition, an obligation to hold shares is established, in the case of medium- and long-term variable remuneration, which is settled in shares.

B.4 Report on the result of the consultative vote by the General Meeting on the Annual Report on Directors' Remuneration for the preceding financial year, indicating the number of negative votes cast, if applicable:

	Number	% on the total
Votes cast	491,291,691	66.53%

	Number	% over cast
Votes against	113,872,509	23.18%

Votes in favour	371,129,139	75.54%
Abstentions	6,290,043	1.28%

Remarks
In abstentions, both the figure for abstentions and blank votes are included so that the joint figure is equal to the total number of votes cast.

B.5 Explain how the fixed components accrued during the year by the directors in their capacity as such were determined, and how they varied with respect to the previous year.

The total remuneration of the Directors in their capacity as such is fixed or for attendance, which is linked to their level of responsibility and dedication and their independence and commitment to the long term is guaranteed.

The maximum total remuneration approved for 2019 for all items, for membership of the Board of Directors of the Company, stands at €1,847.80 thousand. The variation over 2018 is a consequence of the application of the PCI, which stood at 1.2%. See details in section E.

- (i) Fixed emolument: in 2019 the aggregated fixed emolument stood at €420 thousand.
- (ii) Complementary fixed emolument: in 2019, the complementary fixed emolument reached €515 thousand.
- (iii) Attendance fees: the Directors receive a fixed sum for attending Board of Directors meetings and for their delegated or advisory Committees. The amounts received per meeting in 2019 are detailed below:

- For attendance at the Board of Directors €6,000 /meeting
- For attendance at the Executive Committee €2,200 /meeting
- For attendance at the Audit and Control Committee €2,200 /meeting
- For attendance at the Nominations and Remunerations Committee: €1,650 /meeting

In total, the amount of attendance fees paid in 2019 reached €912 thousand.

The total amount paid to the Directors for belonging to the Board, in their capacity as such, was €1,848 thousand.

B.6 Explain how the salaries accrued, during the year ended, by each of the executive directors for the performance of management duties have been determined and how they have varied with respect to the previous year.

The amount of the fixed remuneration of the Executive Directors for the 2019 financial year amounted to a total of €2,674 thousand:

- €1,455 thousand for the Chairman. There is no variation from the fixed remuneration paid in 2018.
- € 969 thousand for the previous CEO, Mr. Iñigo Meirás, until he is replaced by the new CEO.
- € 250 thousand for the new Chief Executive Officer, Mr. Ignacio Madridejos, since his appointment as Chief Executive Officer. According to his contract, his fixed annual remuneration amounts to € 1,000 thousand.

B.7 Explain the nature and main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

- Identify each of the remuneration plans that determined the various variable remunerations accrued by each of the directors during the year ended, including information on their scope, date of approval, date of implementation, accrual periods and validity, criteria used to evaluate performance and how this has impacted on the determination of the variable amount accrued, as well as the measurement criteria used and the period necessary to be able to adequately measure all the conditions and criteria stipulated.

In the case of share option plans or other financial instruments, the general characteristics of each plan shall include information about the conditions both for acquiring unconditional ownership (consolidation) and for exercising those options or financial instruments, including the price and term of the exercise.

- Each of the directors, and their category (executive directors, external proprietary directors, external independent directors or other external directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.
- Where applicable, information shall be provided on the established accrual or deferral periods that have been applied and/or the periods of retention/disposal of shares or other financial instruments, if any.

Explain the short-term variable components of compensation systems

In accordance with both the current remuneration policy and the policy to be submitted for approval at the next General Meeting, only Executive Directors may receive variable remuneration.

As regards the annual variable remuneration, the level of achievement of the objectives for 2019 was

For the Chairman:

88.4 % of *the target* (58.2 % of the possible maximum).

These levels of achievement imply a payment of 110.5 % of the fixed remuneration.

The breakdown of the degree of achievement of the different targets were as follows:

Quantitative:

- Net income target: the target has not been met
- Cash flow target: the target has been met

Qualitative: the targets have been partially met:

- Operation of the Board and the Executive Committee.
- Corporate governance.
- Strategic plan.
- Successions.
- Institutional relations.

Former Chief Executive Officer (Mr. Iñigo Meirás):

12.5% of *the target* (8.2% of the possible maximum). These levels of achievement imply a payment of 15.6% of the fixed remuneration. In relation to Mr. Iñigo Meirás, his targets have been measured up to the date of his termination with the Company.

Due to the special concurrent circumstances in the process of removal of Mr. Íñigo Meirás from Ferrovial, detailed in section B.10. below, it was agreed to pay his variable annual remuneration for 2019 on the date he left the Company (31 October 2019), in accordance with the terms of his termination contract dated 30 September 2019, which was approved by the Board of Directors.

The degree to which the various objectives have been achieved is as follows:

- Compliance with the Strategic Plan: the target has been partially met.
- Employee health and safety, as measured by the Company's accident rates: the target has been partially met.
- Promotion of Innovation and Corporate Social Responsibility-Sustainability: the target has been partially met.
- Development of professional teams that guarantee the stability in the management and attainment of strategic targets of the organisation: the target has been partially met.
- Suitability and monitoring of the procedures associated with the taking on of controlled risk: the target has been partially met.
- Relationship with stakeholders: the target has been partially met.

The breakdown of the amounts for variable remuneration for the Chairman and the former and new CEO, corresponding to the targets set for 2019, is as follows:

- Chairman: € 1,608 thousand.
- Former CEO, Mr. Iñigo Meirás: € 187.5 thousand.
- New Chief Executive Officer, Mr. Ignacio Madrdeijos: € 250 thousand, as a pro-rata of his variable remuneration from October to December 2019.

In the case of Mr. Ignacio Madrdeijos (new Chief Executive Officer), the Nominations and Remunerations Committee agreed, in line with the provisions of the Company's remuneration policy for new appointments, that at the time of signing his business contract as Chief Executive Officer of Ferrovial he would be granted an incorporation bonus of €600,000 gross delivered in shares of the Company. This special incentive is intended to compensate for the loss of unearned incentives in the previous company as a result of his being hired by Ferrovial.

Explain the long-term variable components of compensation systems

Long Term Incentive Plan: Plans for delivery of shares.

In 2019 the first cycle of the 2016-2018 Plan has expired. The Committee has carried out the evaluation process to determine the degree of attainment of the objectives. In this process, the Committee has been able to avail of the support of the Finance Department, responsible for management control of the Group, which facilitates the financial results of the Group duly audited, and verified by the Audit and Control Committee. The amount corresponding to the granting made in 2016 was paid in March 2019.

The degree of compliance with the various metrics were as follows: The Gross Operating Profit among the Net Productive Assets was 9.84% which, together with the positioning of the Total Return for the Shareholder, gives a degree of compliance with the plan of 71.88 %, applying this percentage to the units granted in 2016.

At granting prices, this represents 66% of the annual fixed remuneration of the Chairman and 80% of the annual fixed remuneration of the former CEO.

However, at settlement prices, the value of the incentive has decreased by 9% with respect to the previous year.

B.8 Indicate whether certain variable components have been reduced or claimed back when, in the first case, payment has been consolidated and deferred or, in the second case, consolidated and paid, on the basis of data whose inaccuracy has subsequently been proven manifestly inaccurate. Describe the amounts reduced or refunded by the application of the clawback clauses, why they were executed, and the years to which they relate.

There has been no reduction or dunning of any type of variable component in the financial year.

B.9 Explain the main characteristics of long-term savings systems whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survivor's benefit, which are partially or totally financed by the company, whether internally or externally endowed, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies it covers, the conditions for consolidating the economic rights in favour of the directors and its compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

Deferred remuneration plan for the CEO

Mr. Ignacio Madridejos participates in a deferred remuneration scheme. This is extraordinary deferred remuneration, which will only be made effective once the relationship with the Company terminates by mutual agreement, upon attainment of a certain age, with no other consolidated rights existing. Fifty per cent of the compensation that the Chief Executive Officer may receive upon termination of his duties shall be subject to compliance with a two-year post-contractual non-competition agreement between the Chief Executive Officer and the Company.

To cover this extraordinary remuneration, the Company will make annual contributions to a collective savings insurance policy, of which the Company itself is the policyholder and beneficiary, quantified at 20% of the total annual remuneration of the CEO (for 2019, the fixed remuneration plus variable annual remuneration *target* of 100%).

The right to receive extraordinary remuneration by the Chief Executive Officer shall be incompatible with the collection of any compensation that the Director may be entitled to receive as a result of the termination of his relationship with the Company.

The contributions made under this heading in 2019 amounted to €562 thousand, with the cumulative total at the closing date of this report being €100 thousand for Ignacio Madridejos, and €462 thousand in the case of Iñigo Meirás.

In turn, Mr. Iñigo Meirás, the CEO until 30 September 2019, also participated in this deferred remuneration scheme that was established when he joined the Company's senior management. To cover this extraordinary remuneration, the Company made annual contributions to a collective savings insurance policy, of which the Company itself was the policyholder and beneficiary, amounting to 20% of the total annual remuneration of the CEO (for 2019, fixed remuneration plus target annual variable remuneration of 125%).

The right to receive this extraordinary remuneration is incompatible with the collection of any compensation that the Chief Executive Officer may have been entitled to receive as a result of the termination of his relationship with the Company.

B.10 Explain, if applicable, the indemnities or any other type of payment arising from early termination, whether at the will of the company or of the director, or from the termination of the contract, under the terms provided therein, accrued and/or received by the directors during the closed financial year.

In accordance with the provisions of both his business contract and his previous employment contract, which was declared suspended by agreement between the parties on the date of his appointment as Chief Executive Officer of Ferrovial, the date set for the removal of Mr. Iñigo Meirás by mutual agreement was 29 May 2020.

Notwithstanding the foregoing, within the framework of the succession plan of the Group's first executive line, and once an orderly succession of management is guaranteed, Ferrovial and Mr. Iñigo Meirás agreed to bring forward the date of the initially planned termination, terminating by mutual agreement both the business relationship and the previous employment relationship that was declared suspended following his appointment as Chief Executive Officer of Ferrovial.

As a result of the foregoing, Mr. Iñigo Meirás received an amount of € 8,166.8 thousand, which corresponds to the funds accumulated in the collective savings insurance policy taken out by the Company arising from both his employment contract and his business relationship, referred to in section B.9 above, together with the profit accumulated in said policy.

In addition, Mr. Iñigo Meirás has been paid an amount of € 724.9 thousand as liquidation, balance, settlement and amounts of fixed remuneration pending payment until the date initially agreed for the termination of his relationship.

The amount corresponding to the funds accumulated in the collective savings insurance policy taken out by the Company, referred to in section B.9 above, together with the profit accumulated in said policy, has been included in section C.1.a).1) under the "indemnity" field. In turn, the amount corresponding to the items of settlement, balance, termination and amounts of fixed remuneration pending payment until the date initially agreed to terminate their relationship reflected in this section B.10 has been entered in the table of section C.1.a).1) under the field "other items".

B.11 Indicate whether there have been any significant changes in the contracts of those exercising senior management duties as executive directors and, if so, explain them. Likewise, explain the main conditions of the new contracts signed with executive directors during the year, unless they have already been explained in section A.1.

As a consequence of hiring the new Chief Executive Officer, Mr. Ignacio Madridejos, the CEO has signed a business contract with the Company, the conditions of which have been detailed in section A.1 above.

B.12 Explain any supplementary remuneration accrued by the directors as compensation for the services provided other than those related with their position.

Not applicable

B.13 Explain any remuneration arising from the granting of advances, loans and guarantees, indicating the interest rate, their essential characteristics and any amounts repaid, as well as the obligations assumed on their behalf by way of guarantee.

In accordance with the remuneration policy in force, there are no plans for the Company to grant advances, loans or guarantees to Directors on account of their status as members of Ferrovial's Board.

B.14 List the remuneration in kind earned by the directors during the year, briefly explaining the nature of the different salary components.

The Company has subscribed life assurance policies to cover the risk of demise or incapacity of the Executive Directors. By 2019, the amount of the life insurance premium has risen to:

- €8 thousand for the Chairman.
- €5 thousand for the former CEO, Mr. Iñigo Meirás.

During 2019, the current CEO, Mr. Ignacio Madrideo, has been allocated the amount of €0.4 thousand as remuneration in kind corresponding to a company car.

B.15 Indicate the remuneration accrued by the director in virtue of the payments that the company makes contributed to a third party entity in which the director is provided with services, when the said payments are aimed at remunerating the services of such director in the company.

Not applicable

B.16 Explain any other remuneration concept other than those mentioned above, regardless of their nature or the group entity that pays it, especially when it has the consideration as an associated transaction or its issuing distorts the faithful image of the total remuneration accrued by the director.

Not applicable

C LIST OF INDIVIDUAL REMUNERATIONS FOR EACH DIRECTOR

Name	Type	Accrual period financial year t
Don RAFAEL DEL PINO CALVO-SOTELO	Executive chairman	From 01/01/2019 until 31/12/2019
Don SANTIAGO BERGARECHE BUSQUET	Vice-chairman other external	From 01/01/2019 until 19/12/2019
Don JOAQUÍN AYUSO GARCÍA	Vice-chairman other external	From 01/01/2019 until 30/09/2019
Don IGNACIO MADRIDEJOS FERNÁNDEZ	CEO	From 30/09/2019 until 31/12/2019
Don IÑIGO MEIRÁS AMUSCO	CEO	From 01/01/2019 until 30/09/2019
Doña MARÍA DEL PINO CALVO-SOTELO	Proprietary Director	From 01/01/2019 until 31/12/2019
Don SANTIAGO FERNÁNDEZ VALBUENA	Independent Director	From 01/01/2019 until 31/12/2019

Don JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	Independent Director	From 01/01/2019 until 31/12/2019
Don JOAQUÍN DEL PINO CALVO-SOTELO	Proprietary Director	From 01/01/2019 until 31/12/2019
Don OSCAR FANJUL MARTÍN	Independent Director	From 01/01/2019 until 31/12/2019
Don PHILIP BOWMAN	Independent Director	From 01/01/2019 until 31/12/2019
Doña HANNE BIRGITTE BREINBJERG SØRENSEN	Independent Director	From 01/01/2019 until 31/12/2019
Don BRUNO DI LEO	Independent Director	From 01/01/2019 until 31/12/2019
Don JUAN HOYOS MARTIENZ DE IRUJO	Independent Director	From 02/10/2019 until 31/12/2019
Don GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	Independent Director	From 19/12/2019 until 31/12/2019

C.1 Complete the following tables with regard to the individual remuneration of each one of the Directors (including the remuneration for the exercise of their executive duties) accrued during the financial year.

a) **Remunerations of the Company which is the object of this report:**

i) **Remuneration accrued in cash (€ thousand)**

Name	Fixed remuneration	Attendance fees	Remuneration for belonging to Board Committees	Salaries	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total financial year t	Total financial year t-1
Rafael del Pino y Calvo Sotelo	35	143		1.455	1.608			74	3.315	3.018
Santiago Bergareche Busquet	34	77						63	174	183
Joaquín Ayuso García	26	55						35	116	150
Ignacio Madridejos Fernández	9	14		250	250			9	532	0
Iñigo Meirás Amusco	26	57		969	188		8.167	753	10.160	2.391
María del Pino y Calvo-Sotelo	35	72						37	144	138
Santiago Fernández Valbuena	35	88						37	160	163
José Fernando Sánchez-Junco Mans	35	89						37	161	157
Joaquín del Pino y Calvo-Sotelo	35	54						37	126	131
Oscar Fanjúl Martín	35	80						37	152	143
Philip Bowman	35	59						37	131	138
Hanne Birgitte Breinbjerg Sorensen	35	58						37	130	138
Bruno Di Leo	35	54						37	126	37

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

Juan Hoyos Martínez de Irujo	9	12						9	30	0
Gonzalo Urquijo Fernández de Araoz	1							1	2	0

Remarks

Table of movements in share-based remuneration systems and gross profit on consolidated shares or financial instruments.

Name	Name of de Plan	Financial instruments at beginning of year t		Financial instruments granted during financial year t		Financial instruments consolidated in the financial year				Instruments expired and not exercised	Financial instruments at the end of year t	
		No. Instruments	No. Equivalent shares	No. Instrument ESM	No. Equivalent shares	No. Instruments	No. Equivalent shares consolidated	Price of the consolidated shares	Profit gross of the shares or financial consolidated instruments (€ thousand)	No. Instruments	No. Instruments	No. Equivalent shares
Rafael del Pino y Calvo Sotelo	Plan P. Shares 2016		74.000				53.191	20,622	1.096,90	-	-	-
	Plan P. Shares 2017		76.850							-	-	76.850
	Plan P. Shares 2018		73.900							-	-	73.900
	Plan P. Shares 2019				70.000							70.000
Ignacio Madridejos Fernández	Plan P. Shares 2019				14.468							14.468
Íñigo Meirás Amusco	Plan P. Shares 2016		74.000				53.191	20,622	1.096,90			
	Plan P. Shares 2017		76.850									76.850
	Plan P. Shares 2018		73.900									73.900
	Plan P. Shares 2019				70.000							70.000

Remarks

ii) Long-term savings systems

	Remuneration for consolidation of rights to savings systems

	Contribution during financial year by Company (€ thousand)	Amount of accumulated funds (€ thousand)

Name	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights					
	Financial year t	Financial year t-1	Financial year t	Financial year t-1	Financial year t		Financial year t-1	
					Systems with rights consolidated economic rights	Systems with non-consolidated economic rights	Systems with consolidated economic rights	Systems with non-consolidated economic rights
Ignacio Madrdejos			100			100		
Íñigo Meirás			462	542	8,088			7210

Remarks
The difference between € 8,167 in the section B.10 and C.1.a)i), and € 8,088 is the profit obtained in 2019 on the accumulated amounts.

iii) Breakdown of other items

Name	Item	remuneration amount
Rafael del Pino y Calvo-Sotelo	Life assurance premiums	8
Ignacio Madrdejos Fernández	Incorporation bonus	600
Íñigo Meirás Amusco	Life assurance premiums	5

Remarks

b) Remunerations to the directors of the Company for their membership of boards in other companies of the Group:

i) Remuneration accrued in cash (€ thousand)

Name	Fixed remuneration	Attendance fees	Remuneration for belonging to Board Committees	Salaries	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total financial year t	Total financial year t-1
Joaquín Ayuso García:			23						23	38

Remarks

ii) Table of movements in share-based remuneration systems and gross profit on shares or consolidated financial instruments.

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

Name	Name of the Plan	Financial instruments at beginning of year t		Financial instruments granted during financial year t		Financial instruments consolidated in the financial year				Instruments expired and not exercised	Financial instruments at the end of year t	
		No. Instruments	No. Equivalent shares	No. Instruments	No. Equivalent shares	No. Instruments	No. Equivalent shares consolidated	Price of the shares consolidated	Profit Gross of the shares or financial consolidated instruments (€ thousand)	No. Instruments	No. instrument	No. Equivalent shares

Remarks

iii) Long-term savings systems

	Remuneration for consolidation of rights to savings systems

Name	Contribution during financial year by Company (€ thousand)			Amount of accumulated funds (€ thousand)				
	Savings systems with consolidated economic rights		Savings systems with non-financial rights	Financial year t		Financial year t-1		
	Financial year t	Financial year t-1	Financial Financial	year t t-1	Systems with rights consolidated economic rights	Systems with rights non-consolidated economic rights	Systems with consolidated economic rights	Systems with non-consolidated economic rights

Remarks

iv) Breakdown of other items

Name	Item	remuneration amount

Remarks

Summary of remuneration (€ thousand):

The summary should include the amounts corresponding to all the remuneratory items included in the present report drawn by the Director, in € thousand.

Name	Remuneration accrued in the Company					EBIT remuneration accrued in companies of the Group				
	Total Cash Remuneration	Gross profit from the shares or consolidated financial instruments	Remuneration for savings systems	Remuneration for other items	Total financial year t company	Total Cash Remuneration	Gross profit from the shares or consolidated financial instruments	Remuneration for savings systems	Remuneration for other items	Total financial year t group
Rafael del Pino y Calvo Sotelo	3.315	1.097			4.412					
Santiago Bergareche Busquet	174				174					
Joaquín Ayuso García	116				116	23				23
Ignacio Madrideoj Fernández	532			600	1.132					
Iñigo Meirás Amusco	10.160	1.097			11.257					
María del Pino y Calvo-Sotelo	144				144					
Santiago Fernández Valbuena	160				160					
José Fernando Sánchez-Junco Mans	161				161					
Joaquín del Pino y Calvo-Sotelo	126				126					
Oscar Fanjúl Martín	152				152					
Philip Bowman	131				131					
Hanne Birgitte Breinbjerg Sorensen	130				130					
Bruno di Leo	126				126					
Juan Hoyos Martínez de Irujo	30				30					
Gonzalo Urquijo Fernández de Araoz	2				2					
Total:	15.459	2.194		600	18.253	23				23

Remarks

The "remuneration for other items" of Mr. Ignacio Madrideoj, corresponds to an incorporation bonus, delivered in shares of Ferrovial.

D OTHER INFORMATION OF INTEREST

Should there be any other relevant aspect of the remuneration of the Directors which it has not been possible to set out in the remaining sections of the present report, but which it may be necessary to include to provide more complete and justified information about the structure and remunerative practices of the Company in relation to its Directors, give brief details.

The General Shareholders' Meeting of 22 October 2009 established an annual fixed remuneration for the entirety of the members who at that moment formed part of the Board of Directors of €1,772,772, adjustable according to any variations that might take place in the number of Directors and on the basis of the time served in post of the incoming and outgoing Directors. In addition, the same General Shareholders' Meeting determined that, in successive financial years, the amount set in 2009 would be revised automatically in terms of the variation experienced in the year-on-year rate for the month of December of each financial year corresponding to the official inflation rate (PCI) published by the National Statistical Institute (INE). As a consequence, the joint annual fixed remuneration for the Directors, determined by the General Shareholders' Meeting of the Company, takes as reference the amount for the preceding financial year, revised according to the CPI and adjusted according to changes in the composition of the Board which may have taken place during the financial year.

Table C.1.a.i) includes, in the "Other items" field, the amount of the Supplementary Fixed Allowance (see A.1.7.), and for Mr. Iñigo Meirás, the amount of the settlement, balance, severance payment and fixed remuneration pending payment until the date initially agreed for the termination of his relationship (see section B.10).

Ferrovial has taken out civil liability insurance for the directors and executives of the Group companies of which Ferrovial is the parent company. Among these insured persons are the Directors.

The premium paid in 2019 for this insurance amounts to €621 thousand.

The small differences which may arise with respect to the data included in note 6.6 of the management report are due to rounding by the computer program Cifradoc and are not significant.

This annual remuneration report was approved by the company's board of directors at its meeting in February 27, 2020.

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

Yes

No

Name or corporate name of the members of the board of directors who have not voted in favour of the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons