

## FERROVIAL SA TAX STRATEGY TOWARDS UK TAXATION

### Introduction

This document, issued in accordance with and resulting from the published tax guidelines<sup>1</sup> and with the tax code of conduct<sup>2</sup> approved by the Ferrovial SA Board of Directors, provides an overview of the tax strategy, tax policy and risk management of the “Ferrovial UK Group”, made of the UK companies owned directly and indirectly by Ferrovial SA, in accordance with requirements enacted in Schedule 19 of The Finance Act 2016 (“*the Schedule*”).

This strategy applies to all companies belonging to Ferrovial UK Group from the date of publication until it is superseded.

### Ferrovial Tax Arrangements

With regards to UK taxation, Ferrovial UK Group is committed to ensuring correct and timely compliance and payment of all tax due according to all statutory obligations aligned with the tax commitments and guidelines and with the tax code of conduct of Ferrovial Group.

### Approach to tax governance and risk management

Ferrovial UK Group pays a wide range of taxes in the UK principally from operating large businesses in the UK. However, there are also several UK subsidiaries that are engaged in overseas portfolio investments deriving mainly tax-exempt income and gains for UK Corporate income tax purposes.

Ferrovial UK Group is committed to ensuring correct and timely compliance of all tax obligations according to the letter and the spirit of tax statutory regulations in force, HMRC Guidelines, Case Law and the widely-acknowledged tax practises.

Ferrovial UK Group manages risk to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax at the right time while at the same time promoting measures to prevent and mitigate significant tax risks.

Ferrovial UK Group operates a system of tax risk assessment and controls as a component of its overall business risk management and internal control framework.

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<sup>1</sup> <https://informeanualintegrado2019.ferrovial.com/en/>

<sup>2</sup> <https://static.ferrovial.com/wp-content/uploads/2019/11/22154101/compliance-and-best-practices-in-tax-policy-ferrovial.pdf>

The ultimate responsibility for Ferrovial UK Group taxation strategy rests with the Boards of Directors of Ferrovial SA. Executive responsibility for compliance with the UK taxation obligations matters and for fulfilling compliance requirements rests with the Chief Financial Officers of the Ferrovial UK Group businesses.

Ferrovial UK Group engages sufficient resources to cover tax function activities to provide high-quality and solution-driven tax advice. The UK and Group tax function is composed of by high quality and performing teams who are regularly updated by attending internal and external training sessions, and are involved in tax discussions with the Tax Authorities and other Agents. External advisors - support is sought when necessary to ensure that the correct amount of tax is considered in any complex transaction.

### **Attitude to tax planning and level of risk**

Ferrovial UK Group approach to tax risk management is aligned with the tax commitments and guidelines and with the tax code of conduct of Ferrovial Group.

The management of UK taxation affairs is aligned with the business strategy, based on genuine commercial activity, and in support of the Ferrovial Group strategic goals operating at all times in accordance with the law.

Ferrovial UK Group in managing tax risk ensures compliance with the UK obligations and legal requirements in a manner which ensures payment of the right amount of tax by deploying all available means to provide a high degree of tax certainty (APAs, administrative rulings...).

As part of its business and commercial operations, Ferrovial UK Group seeks to utilise available tax reliefs, incentives and exemptions but should not be involved in tax planning other than that which arises from genuine commercial activity and should not structure transactions in a way which gives a tax result contrary to the spirit of the law.

### **Relationship with HMRC**

Ferrovial UK Group will comply with all its tax obligations in an open, honest and transparent manner, creating and maintaining mutual trust with Tax Administrations and authorities.

Ferrovial UK Group is committed to providing the information and documentation requested by tax authorities as quickly and as completely as possible. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

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