

Report of the Board of Directors of
Ferrovial, S.A.

on the

**common draft terms
of the cross-border merger**

BETWEEN

Ferrovial, S.A.

(as the absorbed company)

AND

Ferrovial International SE

(as the absorbing company)

28 February 2023

This document is a translation into English of the original in Spanish for information purposes only. In the event of discrepancies between the English and the Spanish version, the Spanish version will prevail.

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1. INTRODUCTION

On 28 February 2023, the board of directors of Ferrovial, S.A. (“**Ferrovial**”) and the board of directors of Ferrovial International SE¹ (“**FISE**”) have approved the common draft terms of the cross-border merger between Ferrovial, as the absorbed company, and FISE, as the absorbing company (respectively, the “**Common Draft Terms**” and the “**Merger**”).

Ferrovial and FISE are collectively referred to as the “**Merging Companies**”. The board of directors of Ferrovial and the board of directors of FISE are collectively referred to as the “**Boards**”.

In view of the foregoing, pursuant to articles 33 and 49.1.2° of Spanish Law 3/2009 of 3 April on structural modifications of business corporations (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*, “**LME**”), the board of directors of Ferrovial has drawn up and approved this report on the Common Draft Terms (the “**Report**”).

In accordance with said regulations, this Report addresses the following matters in relation to the Merger:

- (A) Detailed explanation and justification of the legal and economic aspects of the Merger (see sections 2, 3 and 4).
- (B) Information on the Merger specifically addressed to Ferrovial’s shareholders (see section 5).
- (C) Information on the Merger specifically addressed to employees (see section 6).
- (D) Information on the repercussions of the Merger for creditors (see section 7).

For information purposes, it is hereby stated that pursuant to section 2:313 subsection 4 of the Dutch Civil Code (*Burgerlijk Wetboek*) (“**DCC**”), Ferrovial, as sole shareholder of FISE, waived the obligation of FISE’s board of directors to prepare a report on the Common Draft Terms. Nevertheless, the board of directors of FISE has prepared a report addressing the repercussions of the Merger for employees.

Capitalised terms used but not defined in this Report shall have the same meaning ascribed to them in the Common Draft Terms.

This Report has been prepared in Spanish and English. In the event of any discrepancy between the Spanish version and the English version, the Spanish version will prevail.

2. RATIONALE FOR THE MERGER

The Merging Companies belong to the Ferrovial Group, an international group engaged in the business of developing and operating toll roads, airports and other transport and energy infrastructure, in mobility solutions, and in engineering and construction. In particular, Ferrovial is currently the parent company of the Ferrovial Group and FISE is a wholly-owned subsidiary of Ferrovial. Pursuant to the Merger, FISE will become the parent company of the Ferrovial Group.

¹ At the Merger Effective Time, the legal name of FISE will become Ferrovial SE. See section 3.3.9 of this Report.

The Ferrovial Group is one of the largest European players in the transportation and mobility infrastructure business, with operations in seven jurisdictions across the continent and twenty-one jurisdictions worldwide.

The Merger is expected to further enhance Ferrovial Group's international potential by providing the following strategic and operational benefits:

- (i) An international player with European heritage. The Ferrovial Group is an international corporation with most of its business outside of Spain and a strong international shareholder base. Such business is largely international, with eighty-two percent of the Ferrovial Group's revenues in 2022 originating outside of Spain. In this vein, more than ninety percent of the Ferrovial Group value, on an equity valuation basis, lies in its assets outside Spain² and over ninety percent of Ferrovial's institutional shareholder base consists of international investors³. Furthermore, the presence of the Ferrovial Group is growing in North America, where a large part of the Ferrovial Group's current and future opportunities and growth are expected to come from.

The Ferrovial Group is already present in the Netherlands. Its international business is already managed through FISE, a European Company (*Societas Europaea*) based in the Netherlands which heads the Ferrovial Group's international assets. As a consequence of the Merger, FISE will become the global parent of the Ferrovial Group.

The Netherlands is the country of choice for many comparable, globally active corporations with a strong presence in both Europe and North America. It is a AAA rated jurisdiction with a business- and investor-friendly climate, trusted regulations and a sound corporate governance framework.

By converting FISE, current head of its international business, in its new parent company, the Ferrovial Group is taking one step forward in its strategy as an international player cognisant of its European heritage.

- (ii) Improved funding. The Netherlands posts, and has posted for decades, the highest credit ratings on the back of its low debt-to-GDP ratio and historically prudent fiscal policy. It has consistently been rated AAA by all major agencies since the early 1990s, with only a temporary, one-notch decline according to some of them between 2012 and 2015. Strong credit standing and stability are considered major strengths of the Dutch economy. Accordingly, Ferrovial believes companies based in the Netherlands have enjoyed lower volatility in their financing costs thanks to a more stable country risk premium versus other European countries. This lower volatility should lead to lower financing costs in corporate bonds along time and ultimately also benefit the overall cost of capital.

By relocating its parent company to the Netherlands Ferrovial Group seeks to benefit from improved funding conditions, especially at a time of contraction of central banks' balance sheets.

² According to the valuation reports available to Ferrovial as at the date of the Common Draft Terms.

³ As of February 2023.

- (iii) Enhancing brand awareness. Ferrovial believes the Netherlands will offer the opportunity to enhance the Ferrovial Group's brand awareness in Europe and throughout the world. As already stated, the Netherlands currently is an important business hub for many international corporations with transcontinental ties. Establishing a stronger presence in the Netherlands is expected to provide access to a broader pool of international talent which Ferrovial expects to attract with its portfolio of pioneering and challenging projects.

Ferrovial also expects its presence in the Netherlands and greater international awareness to facilitate access to an increased investor base coming from international investors.

- (iv) An optimal platform to be listed in the United States of America. In addition to its inherent advantages as home jurisdiction for the Ferrovial Group, the Netherlands is an optimal platform to allow FISE Shares to be listed and traded simultaneously in Spain, the Netherlands and, in time, also the United States of America. Ferrovial believes that being a Dutch listed company will facilitate the future listing and trading of those same shares in the United States of America and, given the appropriate conditions, their inclusion in local indexes. Conversely, shares in a Spanish company listed in Spain can only trade in the United States in the form of American Depositary Receipts or by other indirect means, and such American Depositary Receipts are not eligible for indexes.

Being listed in the United States of America is a strategic objective of the Ferrovial Group for the following reasons:

- (y) As already stated, a relevant part of the Ferrovial Group's current business originates in North America and the United States of America in particular. The Boards believe it enjoys a long-standing position, sound reputation and a strong value-creation track record in that region for almost twenty years.

Moreover, the Ferrovial Group's business is expected to further concentrate on North America. Ninety-two percent of its committed capital expenditure for the 2023-2027 period relates to said geography, with key growth projects such as the new Terminal One at the JFK airport in New York, the I-66 Toll Road in Virginia and the North Tarrant Express 35W 3C Toll Road in Texas. In Ferrovial's view, each of those projects is of an appropriate scale, benefits from attractive conditions and long-term cash flows and, together, they are at the core of the Ferrovial Group's future growth strategy in the region.

The United States of America is a region characterised by being one of the world's largest transportation infrastructure markets and having one of the world's largest investors' community while, at the same time, having few specialised players in the Ferrovial Group's industry offering attractive investment opportunities in equity capital markets.

By being present in one of the stock exchanges in the United States of America, Ferrovial will seek to leverage its strong position and pipeline to meet the local demand for investment in transportation infrastructure.

Moreover, being present in the local capital markets will provide Ferrovial with long-term strategic flexibility to carry out corporate transactions in that region if and when appropriate.

- (z) Ferrovial believes that enhanced presence in North America will further reinforce local brand awareness, in particular *vis-à-vis* States and local regulators –who play a key role in the awarding of new projects– and talent.

This is expected to allow the Ferrovial Group to seize additional value-creation opportunities and further leverage its capabilities with improved access to one of the world’s largest and best qualified employment markets.

For all of the above-mentioned reasons, the board of directors of Ferrovial believes the Merger to be a natural step forward in aligning the Ferrovial Group’s corporate structure with its international business profile and growth strategy.

3. EXPLANATION OF THE LEGAL ASPECTS OF THE MERGER

3.1 DESCRIPTION OF THE TRANSACTION

The recitals of the Common Draft Terms set out the basic features of the Merger envisaged by the Boards.

The Merger proposed by the Boards in the Common Draft Terms consists of a cross-border merger whereby Ferrovial will merge into FISE.

Consequently, *inter alia*, at the Merger Effective Time:

- (i) FISE will acquire all assets, liabilities and other legal relationships of Ferrovial by universal succession of title (*in universum ius*);
- (ii) FISE will allot to Ferrovial shareholders FISE Shares for the Ferrovial Shares they hold immediately prior to the Merger Effective Time in accordance with section 4 of the Common Draft Terms; and
- (iii) Ferrovial will be dissolved without going into liquidation and will cease to exist.

As indicated in section 2 of this Report, the Merger is intended to reorganise the corporate structure of the Ferrovial Group. As a result of the Merger, FISE will become the parent company of the Ferrovial Group. Hence, and without prejudice to the Withdrawal Mechanism (as defined in section 5.3), the allotment of FISE Shares to Ferrovial shareholders pursuant to the Exchange Ratio seeks to ensure that, immediately following the Merger Effective Time, the shareholders of Ferrovial hold the same number of shares in FISE as the number of shares they held in Ferrovial immediately prior to the Merger Effective Time.

In accordance with Dutch law (the law applicable to FISE, the absorbing entity), the Merger will be effective at 00:00 (Amsterdam time) of the first day after the day of the execution of the Dutch law governed notarial deed of Merger (the “**Merger Effective Time**”).

As also indicated in the Common Draft Terms, Ferrovial Shares are currently admitted to listing and trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (*Bolsas de Valores*) (the “**Spanish Stock Exchanges**”) and are traded through the automated quotation system of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil*). As at the date of this Report, the FISE Shares are not listed on any stock exchange.

As part of the transaction proposed, FISE will apply for FISE Shares to be admitted to listing and trading on Euronext Amsterdam, a regulated market of Euronext Amsterdam N.V. (“**Euronext Amsterdam**”), on the Spanish Stock Exchanges, and on one of the stock exchanges in the United States of America.

Finally, as also stated in the Common Draft Terms, it is envisaged that, prior to the Merger Effective Time, FISE will incorporate a branch (*sucursal*) located in the Kingdom of Spain and registered with the Commercial Registry of Madrid (“**FISE’s Spanish Branch Office**”). It is intended that certain assets, liabilities and other legal relationships transferred to FISE as a result of the Merger will be allocated to FISE’s Spanish Branch Office at the Merger Effective Time.

3.2 LEGAL FRAMEWORK APPLICABLE TO THE MERGER

As indicated in section 2.1 of the Common Draft Terms, the Merger will be effected, subject to the terms and conditions of the Common Draft Terms, in accordance with Chapter II of Title II LME and Title 7, Sections 2, 3 and 3A of Book 2 DCC.

Spanish law applies to:

- (i) all pre-Merger acts and formalities to the extent they concern Ferrovial (article 64 LME); and
- (ii) the deregistration of Ferrovial from the Commercial Registry of Madrid.

Dutch law applies to:

- (i) all pre-Merger formalities to the extent they concern FISE (section 2:333i subsection 5 DCC); and
- (ii) the manner and the moment of the Merger taking effect.

3.3 EXPLANATION OF THE MAIN TERMS OF THE MERGER

The Common Draft Terms have been prepared in accordance with the provisions of articles 30, 31 and 59 LME, and sections 2:312, 2:326 and 2:333d DCC. Therefore, the Common Draft Terms include the mandatory minimum content required by those statutory provisions. In addition, along with such mandatory minimum content, the Common Draft Terms include and elaborate on other items related to the Merger, the inclusion of which has been deemed appropriate by the Boards.

The following subsections contain a specific analysis made by the board of directors of Ferrovial in respect of the contents included in the Common Draft Terms. With respect to certain items, reference will be made, as applicable, to sections 4, 5, 6 or 7 of this Report which further elaborate on, respectively, the economic aspects of the Merger, specific information for Ferrovial’s shareholders, specific information for employees, and the repercussions of the Merger for creditors.

3.3.1 Information on the Merging Companies

Section 3 of the Common Draft Terms identifies the Merging Companies by reference to their legal name, legal form, registered office or corporate seat, registration details and tax identification number.

3.3.2 Share exchange ratio and exchange procedure

Section 4 of the Common Draft Terms indicates the share exchange ratio and the exchange procedure applicable to the Merger. The main features of the Exchange Ratio and the exchange procedure are as follows. Section 4 of this Report provides the rationale for the Exchange Ratio.

(A) *Share capital of Ferrovial and FISE prior to the Merger Effective Time*

On the date of this Report, Ferrovial has an issued share capital of EUR 145,488,652.20, which consists of 727,443,261 ordinary shares of a single class, each with a nominal value of EUR 0.20. All issued Ferrovial Shares are represented by accounting entries (*anotaciones en cuenta*) and are completely subscribed for and paid-up.

Each Ferrovial share from time to time is referred to as a “**Ferrovial Share**”.

As at the date of this Report, it is envisaged that the board of directors of Ferrovial will submit for approval at the next Ferrovial general shareholders’ meeting (“**GSM**”) (i) two share capital increases through bonus shares (*ampliaciones de capital liberadas*), in the context of the flexible dividend program, which may result in the issuance of a certain amount of Ferrovial Shares before the Merger Effective Time; and (ii) a share capital reduction through the cancellation of treasury shares, which may result in the cancellation of certain amount of Ferrovial Shares before the Merger Effective Time.

On the date of this Report, FISE has an issued share capital of EUR 742,877,070.00, which consists of 742,877,070 ordinary shares of a single class, each with a nominal value of EUR 1.00. All issued FISE Shares are completely subscribed for and paid-up.

Each FISE share from time to time is referred to as a “**FISE Share**”.

It is envisaged that, prior to the Merger Effective Time, FISE will implement an amendment of its articles of association, pursuant to which (i) each two FISE Shares will be combined into one FISE Share; and (ii) the nominal value of each such resulting FISE Share is reduced to EUR 0.01 per share, and whereby the sum of such capital reduction will be credited to FISE’s share premium reserve (the “**Nominal Value Reduction**”).

The Nominal Value Reduction will effectively result in the number of issued FISE Shares being halved. Once the Nominal Value Reduction has been completed, (i) FISE will have an issued share capital of EUR 3,714,385.35, which will consist of 371,438,535 FISE Shares, with a nominal value of EUR 0.01 each; and (ii) the authorised share capital, as set out in FISE’s articles of association, will be reduced to EUR 7,500,000, divided into 750,000,000 shares with a nominal value of EUR 0.01 each.

(B) *Exchange Ratio*

At the Merger Effective Time, FISE will, by operation of law, allot one new FISE Share for each issued Ferrovial Share (other than any Ferrovial Share held by either Ferrovial in treasury or held by FISE at such time) (the “**Exchange Ratio**”).

No cash consideration will be paid by FISE or Ferrovial to Ferrovial’s shareholders in connection with the Merger, save with regard to any rights exercised under the Withdrawal Mechanism.

(C) *Ferrovial Shares*

At the Merger Effective Time, each Ferrovial Share will be cancelled by operation of law.

At the Merger Effective Time, each Ferrovial Share held by Ferrovial in treasury or by FISE at such time will be cancelled by operation of law without consideration, in accordance with article 26 LME.

(D) *FISE Shares in issuance immediately prior to the Merger Effective Time*

At the Merger Effective Time, all FISE Shares in issuance immediately prior to the Merger Effective Time will be cancelled in accordance with section 2:325 subsection 3 DCC, save for the number of FISE Shares that is equal to the number of Ferrovial Shares held by Ferrovial in treasury immediately prior to the Merger Effective Time. Such FISE Shares will become treasury shares of FISE as a result of the Merger.

(E) *Exchange procedure*

The effective exchange of Ferrovial Shares for FISE Shares will take place around the Merger Effective Time in accordance with the relevant procedures established for the clearing and settlement of book-entry instruments among *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear), and its participating entities, as well as any other relevant depository entities for Ferrovial Shares and FISE Shares (upon admission to listing and trading), and applicable clearing systems.

The relevant information on the procedure for the exchange of Ferrovial Shares for FISE Shares will be communicated in due course by Ferrovial to the market through its corporate website (www.ferrovial.com) and the website of the Spanish National Securities Market Commission (the “**CNMV**”).

3.3.3 Independent expert

As indicated in section 4.3 of the Common Draft Terms, pursuant to section 2:328 subsection 1 DCC, the board of directors of FISE has appointed Flynth Audit B.V. as an independent expert to provide the declaration referred to in section 2:328 subsection 1, second sentence DCC. Pursuant to section 2:328 subsection 6 DCC, Ferrovial, as sole shareholder of FISE, waived the applicability of (i) the auditor’s declaration referred to in section 2:328 subsection 1, first sentence DCC; and (ii) the auditor’s report referred to in section 2:328 subsection 2 DCC.

As also stated in section 4.3 of the Common Draft Terms, according to articles 49.1 and 52 LME, no independent expert report on the Common Draft Terms is required under Spanish law and therefore no such report will be prepared.

3.3.4 Merger balance sheet of Ferrovial and financial statements

Section 5.1 of the Common Draft Terms includes the relevant information on the Merger balance sheet of Ferrovial.

That section also provides information on the financial statements of Ferrovial and FISE that have been considered for the purposes of establishing the terms and conditions of the Merger.

Reference is made to Section 4 of this Report, which includes further explanations on the matters mentioned in this section.

3.3.5 Information on the valuation of the assets and liabilities to be transferred

Section 5.1(C) of the Common Draft Terms states that Ferrovial's assets, liabilities and other legal relationships transferred to FISE as a result of the Merger will be booked by FISE at their precedent book value as recognised in Ferrovial's merger balance sheet.

3.3.6 Effective date for accounting purposes

Section 2.3 of the Common Draft Terms indicates that the assets, liabilities and other legal relationships of Ferrovial will be considered as assets, liabilities and legal relationships of FISE for accounting purposes as from 1 January 2023, unless the Merger Effective Time falls after the term for the drawing up of the financial statements of Ferrovial for the financial year ending on 31 December 2023 has elapsed, in which case the effective date for accounting purposes would be 1 January 2024.

That date conforms to the provisions of the Spanish Accounting Plan (*Plan General de Contabilidad*), as enacted by Royal Decree 1514/2007 of 16 November and with the Resolution of 5 March 2019 of the Spanish Accounting and Audit Institute (*Instituto de Contabilidad y Auditoría de Cuentas*).

3.3.7 Entitlement to profits

Section 5.2 of the Common Draft Terms indicates that Ferrovial shareholders that will receive FISE Shares in accordance with the Common Draft Terms will be entitled to share in the profits of FISE as from the Merger Effective Time.

3.3.8 Goodwill and distributable reserves

Section 5.3 of the Common Draft Terms explains the impact of the Merger on the amounts of goodwill and the distributable reserves in the balance sheet of FISE, in accordance with section 2:312 subsection 4 DCC.

3.3.9 FISE's articles of association

Annex 6(A) to the Common Draft Terms includes a copy of the articles of association of FISE as at the date of the Common Draft Terms.

As mentioned in section 6(B) of the Common Draft Terms, it is intended that article 4 of the articles of association of FISE will be amended prior to the Merger Effective Time to implement the Nominal Value Reduction. Article 4 of the articles of association of FISE will, as from that moment, read as set out in Annex 6(B) to the Common Draft Terms. All the remaining articles of the articles of association of FISE will read as set out in Annex 6(A) of the Common Draft Terms (without prejudice to their further amendment on the Merger Effective Time, in accordance with section 6(C) of the Common Draft Terms).

Section 6(C) of the Common Draft Terms explains that the articles of association of FISE will be further amended at the Merger Effective Time, as a result of which, *inter alia* the legal name of FISE will become Ferrovial SE. The articles of association will as from that moment read as set out in Annex 6(C) of the Common Draft Terms.

Reference is made to section 5 of this Report, which includes further explanation on the corporate governance of FISE following the completion of the Merger.

3.3.10 Continuation of activities

Section 2.4 of the Common Draft Terms states that it is intended that, as from the Merger Effective Time, the activities of Ferrovial will be continued by FISE in materially the same manner.

3.3.11 Special rights

Section 7.1 of the Common Draft Terms states that there are no natural or legal persons who, in any capacity other than as Ferrovial shareholders, have special rights as referred to in article 31.4.^a LME and section 2:320 subsection 1 DCC towards Ferrovial, such as rights to receive a distribution of profits or to acquire newly issued Ferrovial Shares. Therefore, as indicated in the Common Draft Terms, no special rights and no compensation as referred to in the above mentioned sections will be granted.

3.3.12 Creditors

Section 7.2 of the Common Draft Terms states that, without prejudice to what is provided for in the applicable law in respect of the opposition rights of the creditors, no guarantees or other particular measures in favour of the creditors of Ferrovial or FISE are proposed.

Section 7 of this Report includes further explanation on the repercussions of the Merger for creditors.

3.3.13 Special advantages

Section 8 of the Common Draft Terms states that:

- (i) no special advantages have been or will be granted to any members of the Boards in connection with the Merger within the meaning of article 31.5.^a LME and section 2:312 subsection 2(d) DCC; and
- (ii) no special advantages have been or will be granted to the Dutch independent expert as indicated in section 3.3.3 or the statutory auditor of Ferrovial. This is without prejudice to the remuneration to be received by them as consideration for their respective services.

3.3.14 Board composition

Section 9 of the Common Draft Terms states that it is expected that immediately following the Merger Effective Time the board of directors of FISE will be comprised of the same members as the board of directors of Ferrovial immediately prior to the Merger Effective Time, whereby the executive directors of Ferrovial will serve as executive directors of FISE and the non-executive directors of Ferrovial will serve as non-executive directors of FISE.

3.3.15 Employment and gender equality

Section 10.1 of the Common Draft Terms states that the Merger will not have any direct consequences on employment in either of the Merging Companies and that employment measures are not envisaged as a consequence of the Merger. In particular, it is stated in the Common Draft Terms that:

- (i) The Merger will not have any effects on FISE's employees. They will continue to be employees of this company after the Merger Effective Time. Moreover, FISE's employees' terms and conditions will not be affected by the Merger and will remain the same.
- (ii) The Merger will not have any direct effects on Ferrovial's employees (save for the change of employer to FISE's Spanish Branch Office upon completion of the Merger, as explained below). Moreover, Ferrovial's employees' terms and conditions will not be affected by the Merger and will remain the same.

The activities of Ferrovial will be continued by FISE in materially the same manner after the Merger Effective Time. To that end, it is envisaged that certain assets, liabilities and other legal relationships transferred to FISE as a result of the Merger will be allocated to FISE's Spanish Branch Office at the Merger Effective Time. Pursuant to article 44 of the Spanish Statute of Workers (*texto refundido de la Ley del Estatuto de los Trabajadores, aprobado por el Real Decreto Legislativo 2/2015, de 23 de octubre, "SW"*), such allocation will trigger a transfer of undertaking (*sucesión de empresas*). As a result, FISE's Spanish Branch Office will substitute Ferrovial as the employer of its employees, automatically and by operation of the law. This change of employer will be the only direct consequence of the Merger for Ferrovial's employees.

In addition, after the Merger Effective Time some of Ferrovial's employees may voluntarily relocate to the Netherlands. Similarly, it is possible that certain other Ferrovial employees transfer and become employed by other operative subsidiaries of the Ferrovial Group in Spain. In both cases, these would be voluntary transfers, which would be carried out complying with the employees' consolidated rights and their employment terms and conditions.

From a procedural perspective, the Merging Companies will comply with their legal information obligations (if applicable, also consultation obligations) directly with their respective employees, as none of them have employee representatives.

Finally, Section 10.1 of the Common Draft Terms explains that the Merger is not expected to result in changes to the gender distribution of the board of directors of FISE. The current gender distribution of the board of directors of Ferrovial is one-third women and two-thirds men. The current gender distribution of

the board of directors of FISE, consisting of three individuals, is two men and one woman. As indicated in section 3.3.14 above, it is expected that immediately following the Merger Effective Time the board of directors of FISE will be comprised of the same members as the board of directors of Ferrovial immediately prior to the Merger Effective Time. Therefore, the gender distribution at the level of the board of directors of FISE is not expected to change due to the Merger.

3.3.16 Labour contributions (*aportaciones de industria*) and undertakings to perform works or supply services (*prestaciones accesorias*)

Section 10.2 of the Common Draft Terms states that there are no labour contributions (*aportaciones de industria*) in Ferrovial and no undertaking to perform any work or supply any service (*prestaciones accesorias*) is attached to any issued Ferrovial Shares.

3.3.17 Corporate social responsibility

Section 10.3 of the Common Draft Terms states that the Merger is not expected to have any material impact on Ferrovial's, FISE's or the Ferrovial Group's corporate social responsibility.

3.3.18 Information on the procedures for the involvement of employees in defining their participation rights

Section 11 of the Common Draft Terms states that FISE, being the absorbing company in the Merger, has its corporate seat in the Netherlands. Therefore, under section 2:333k subsection 2 DCC, employee involvement (*implicación*) and participation (*participación*) rights in FISE will be governed by Dutch law. In addition, none of the exceptions included in section 2:333k subsection 3 DCC which imposes the obligation to install a special negotiation body to negotiate employee participation rights, is applicable.

Given that there are no employee participation systems in any of the Merging Companies, the establishment of an employee participation system is not mandatory nor necessary.

For this reason, for the purposes of article 59.2.2^a LME and section 2:333k DCC, no arrangements will be made in order to involve employees in the definition of participation rights in FISE.

3.3.19 Withdrawal mechanism

Section 12 of the Common Draft Terms states that Ferrovial shareholders who vote against the Merger at the Ferrovial GSM will be entitled to exercise their withdrawal rights pursuant to article 62 LME.

Section 5.3 of this Report includes further explanations on the withdrawal rights of Ferrovial's shareholders who vote against the Merger.

3.3.20 Conditions precedent

As set out in section 13 of the Common Draft Terms, the Boards will only give effect to the Merger after satisfaction or, if permitted by law, joint waiver by the Merging Companies of the following conditions:

- (i) the financial obligations of Ferrovial arising out of the exercise of the withdrawal rights in accordance with article 62 LME, including the amounts payable to the shareholders who exercise

such rights and any other amounts payable to third parties in connection with such exercise, do not exceed five hundred million (500,000,000) euros.

The reason behind this condition precedent is that the Merging Companies wish to retain the ability to not proceed with the Merger if the exercise of the withdrawal rights is such that it might negatively affect Ferrovial financially.

- (ii) Euronext Amsterdam having provided to the Boards reasonable assurance that upon allotment of the FISE Shares pursuant to the Merger, the FISE Shares will be admitted to listing and trading on Euronext Amsterdam.
- (iii) The Boards having reasonable assurance that upon allotment of the FISE Shares pursuant to the Merger, the FISE Shares will be admitted to listing and trading on the Spanish Stock Exchanges.

The rationale for conditions precedent in (ii) and (iii) is to ensure that the FISE Shares that Ferrovial's shareholders will, at the Merger Effective Time, receive in exchange for their Ferrovial Shares are listed for trading on both the Spanish Stock Exchanges – as the Ferrovial shares are at present – and Euronext Amsterdam.

3.3.21 Merger approvals

Section 14 of the Common Draft Terms states that in accordance with articles 30.3 and 40 LME and article 160 of the restated text of the Spanish Companies Law, approved by Royal Legislative Decree 1/2010, of 2 July (“LSC”), the Merger must be approved by the Ferrovial GSM within six months of the date of the Common Draft Terms.

Section 14 of the Common Draft Terms also states that in accordance with section 59 SE-Statute, section 2:317 DCC and FISE's articles of association as they read at the date of the Common Draft Terms, the Merger requires a resolution of FISE's general meeting, solely consisting of Ferrovial as sole shareholder of FISE, with two-thirds of the votes cast.

3.3.22 Timeline of the Merger procedure

Annex 15 of the Common Draft Terms includes a tentative high-level timeline with the main corporate law milestones to be carried out for the Merger to be implemented.

As indicated in section 15 of the Common Draft Terms, the timing may be different in practice, but subject, in any event, to the applicable legal framework. In addition, that timeline is not, and should not be read as, an exhaustive list of each and every legal action that will have to be completed in the course of the Merger, but rather as a summary intended to assist with understanding the Merger procedure.

3.3.23 Tax neutrality regime

Section 16 of the Common Draft Terms states that the Merger will be carried out under the special tax neutrality regime set out in Chapter VII of Title VII of the Spanish Corporate Income Tax Law.

Sections 3.5 and 5.4 provide, respectively, further information on the tax regime applicable to the Merger and the tax implications for Ferrovial's shareholders.

3.4 INFORMATION ABOUT THE MERGER

3.4.1 Publication of the Common Draft Terms

As regards Spanish law:

- (i) The Common Draft Terms will be published on Ferrovial's corporate website (www.ferrovial.com).
- (ii) The fact that the Common Draft Terms have been published on Ferrovial's corporate website will also be published in the Official Gazette of the Commercial Registry (*BORME*) with a reference to Ferrovial's corporate website, and to the date on which they were published on it. The publication of the Common Draft Terms on Ferrovial's corporate website and the further publication of that fact in the Official Gazette of the Commercial Registry (*BORME*) will take place at least one month in advance of the date of the Ferrovial GSM called to vote on the Merger. The Common Draft Terms will be kept available on Ferrovial's corporate website at least until the term for the creditors to oppose the Merger has elapsed.

As regards Dutch law:

- (i) The Common Draft Terms will be filed with the Dutch Trade register, together with the relevant documentation as required under Dutch law. In addition, the Common Draft Terms and the FISE Merger Report, together with such other documentation as required under Dutch law, will be made available at the offices of FISE for inspection by those persons entitled to inspect them pursuant to Dutch law. The documents will remain available for inspection until six months after the Merger Effective Time.
- (ii) The announcement of the aforementioned filing under Dutch law will be published (a) in a Dutch nationally distributed newspaper, and (b) in the Dutch State Gazette (*Nederlandse Staatscourant*).

3.4.2 Information to be made available before the publication of the call for the GSM of Ferrovial

In accordance with article 39 LME, before the publication of the call for the Ferrovial GSM that will vote on the Merger, the following documents relating to the Merger will be published on the corporate website of Ferrovial, available for download and printing:

- (i) the Common Draft Terms;
- (ii) this Report;
- (iii) the financial statements (individual and consolidated) and the management reports of Ferrovial for the financial years 2022, 2021, 2020 and 2019, together with the corresponding audit reports issued by the statutory auditor of the company;
- (iv) the individual financial statements of FISE for the financial years 2022, 2021 and 2020;
- (v) the individual balance sheet of Ferrovial as at 31 December 2022, which forms part of Ferrovial's individual financial statements for the financial year 2022;

- (vi) the individual balance sheet of FISE as at 31 December 2022, which forms part of FISE's individual financial statements for the financial year 2022;
- (vii) the current articles of association of Ferrovial and FISE (the latter also attached as Annex to the Common Draft Terms);
- (viii) the proposed articles of association of FISE as of the Merger Effective Time (which are also attached as Annex to the Common Draft Terms); and
- (ix) the relevant information regarding the current directors of Ferrovial and FISE, as well as regarding the new composition of the board of directors of FISE.

In addition, the board of directors of Ferrovial considers it appropriate to publish on the corporate website of Ferrovial the following documents for information purposes:

- (x) the report on the repercussions of the Merger for employees, prepared and approved by the board of directors of FISE;
- (xi) the report issued by the Dutch independent expert pursuant to section 2:328 subsection 1 second sentence DCC;
- (xii) an informative document on certain resolutions that are expected to be adopted by the general shareholders' meeting and the board of directors of FISE in the context of the Merger;
- (xiii) the directors' remuneration policy which, if approved by the Ferrovial GSM, will apply to FISE's directors as of the Merger Effective Time; and
- (xiv) an informative document on the Merger in "Questions and Answers" format.

3.4.3 Information obligations pursuant to the capital markets regulations

In addition to the above, Ferrovial and FISE will comply with any information obligations pursuant to the applicable securities market regulations.

3.5 MAIN TAX ASPECTS OF THE MERGER

The main tax aspects of the Merger under Spanish and Dutch law for Ferrovial and FISE are summarized below.

3.5.1 Spanish direct taxation applicable to the Merger

The Merger will be carried out under the special tax neutrality regime set out in Chapter VII of Title VII of the Spanish Corporate Income Tax Law (the "**Special Tax Neutral Regime**").

Under this Special Tax Neutral Regime, certain reorganizations may benefit from total or partial tax neutrality that consists of deferring the tax due on the capital gains or losses which may arise in connection with the reorganization, both for the companies involved and their respective shareholders.

When the acquiring entity is tax resident abroad from a Spanish tax perspective (i.e., in the Netherlands) the Special Tax Neutral Regime is only applicable to gains arising from the transfer of those assets that

are allocated to a permanent establishment located in Spain, provided the merger takes place mainly for valid business reasons and not for tax reasons.

The application of the Special Tax Neutrality Regime to the Merger entails that:

- (i) the Merger does not constitute any realization (or distribution) of taxable capital gains or losses relating to those assets which will be allocated to FISE's Spanish Branch Office in the context of the Merger;
- (ii) the assets transferred to FISE not allocated to FISE's Spanish Branch Office will trigger Spanish CIT taxation for Ferrovial for the capital gains -or losses- derived from that transfer, which would not be deferred;
- (iii) the assets transferred to FISE and allocated to FISE's Spanish Branch in the context of the Merger will keep the tax basis they had in the hands of Ferrovial prior to the Merger; and
- (iv) no capital gain or loss is triggered in connection with the FISE Shares currently held by Ferrovial.

3.5.2 Spanish indirect taxation applicable to the Merger

Regardless of the application of the Special Tax Neutral Regime, the Merger is not subject to VAT, does not trigger capital duty and is exempt from Spanish transfer tax and stamp duty.

3.5.3 Spanish Financial Transaction Tax

No Financial Transaction tax (*Impuesto sobre las Transacciones Financieras – "FTT"*) is due on the Merger, itself. The exchange of shares pursuant to the Merger will not be subject to FTT.

3.5.4 Dutch taxation applicable to the Merger

The Merger is not expected to give rise to any material Dutch tax liabilities. As a result of the Merger, FISE and its Dutch subsidiaries' ability to offset carry forward tax losses and other tax attributes originating from before the Merger against taxable income arising after the Merger becomes subject to certain limitations, potentially reducing the possibility to actually use such losses or attributes.

4. ECONOMIC ASPECTS OF THE TRANSACTION

4.1 MERGER BALANCE SHEET OF FERROVIAL

As mentioned in section 3.3.4 of this Report, section 5.1 of the Common Draft Terms states that Ferrovial's individual balance sheet as at 31 December 2022, included in Ferrovial's individual financial statements for the financial year that ended on 31 December 2022, as drawn up on 28 February 2023 by the board of directors of Ferrovial and audited by Ferrovial's auditor, will be considered to be Ferrovial's merger balance sheet for the purposes of article 36.1 LME. Ferrovial's merger balance sheet will be submitted for the approval, as such merger balance sheet, by the Ferrovial GSM called to vote on the Merger, in accordance with article 37 LME.

4.2 ECONOMIC AND ACCOUNTING IMPACT

The Merger would result in all the assets and liabilities of Ferrovial as at the Merger Effective Time being acquired by FISE by universal succession of title (*in universum ius*). Since FISE is wholly owned by Ferrovial, the Merger would not entail, at a consolidated level, any change whatsoever in the assets and liabilities of the Ferrovial Group as existing at the Merger Effective Time.

The accounting impact of the Merger has been considered from both a consolidated perspective and a standalone perspective:

- (i) *Consolidated perspective*: The Merger is not anticipated to qualify as a business combination under applicable accounting regulations. Accordingly, all assets and liabilities of Ferrovial would be recognized in the new consolidated accounts of FISE and its subsidiaries at book value. The consolidated statements of the Group would not change compared to Ferrovial's current consolidated financial statements given that there would be no alterations in the perimeter and no purchase accounting (i.e. true-up to fair value) would be applied.
- (ii) *Stand-alone perspective*: The assets and liabilities of Ferrovial, except for its stake in FISE (which would be disregarded for this purpose), would be recognized in FISE's stand-alone balance sheet using existing carrying values at Ferrovial. Ferrovial would contribute negative equity, with net assets (after excluding Ferrovial's stake in FISE) having negative value of around EUR 4.2 billion, which would reduce FISE's equity from EUR 8.1 billion to EUR 3.9 billion.
- (iii) FISE's post-Merger standalone equity (i.e. EUR 3.9 billion) would be lower than that of Ferrovial, currently EUR 4.3 billion. Most of FISE's standalone equity would be share premium available for distribution to shareholders. Consequently, this change is not expected to impact FISE's ability to pay distributions to its shareholders in the future.

The board of directors of Ferrovial has also analysed the potential impact of:

- (a) the potential exercise by Ferrovial's shareholders of the withdrawal right pursuant to article 62 LME; and
- (b) the potential exercise by the relevant creditors of Ferrovial and FISE of the statutory right to oppose the Merger pursuant to article 44 LME and section 2:316 CNN, respectively.

On the basis of such analysis and the discussions with relevant rating agencies, and considering also that the Merger would be conditional upon the financial obligations of Ferrovial arising out of the exercise of the withdrawal rights in accordance with article 62 LME, including the amounts payable to the shareholders who exercise such rights and any other amounts payable to third parties in connection with such exercise, do not exceed five hundred million (500,000,000) euros, the board of directors of Ferrovial is of the opinion that any such impact on the consolidated net financial position of the Ferrovial Group would be temporary and would not compromise the Ferrovial Group's ability to maintain its current investment grade credit ratings.

4.3 FURTHER EXPLANATIONS ON THE EXCHANGE RATIO

As indicated in section 3.3.2 of this Report and section 4 of the Common Draft Terms, the share exchange ratio for the Merger will be one FISE Share for each Ferrovial Share.

The reason for the 1:1 Exchange Ratio is that the Merger does not entail a business combination between independent companies, but rather, an intra-group reorganisation transaction that will result in FISE replacing Ferrovial as the parent company of the Ferrovial Group. Accordingly, it will not result in any change whatsoever in the consolidated assets and liabilities of the Ferrovial Group and, provided that the number of FISE Shares in issuance at the Merger Effective Time equals the number of Ferrovial Shares in issuance immediately before, the value of each FISE Share received in exchange will be exactly equal to the value of each Ferrovial Share that will be cancelled pursuant to the Merger. Thus, the allotment of one FISE Share for each Ferrovial Share seeks to ensure that the then-current shareholders of Ferrovial will receive FISE Shares for the same value as that of the Ferrovial Shares they hold.

In view of the foregoing, the board of directors of Ferrovial has not deemed it necessary to request that one or more financial advisors issue a fairness opinion (or any other similar type of report) on the Exchange Ratio. Note that no such fairness opinion or valuation report is required by the applicable law (see section 3.3.3 of this Report).

Similarly, the characteristics of the proposed Exchange Ratio mean that the board of directors of Ferrovial has not faced any particular valuation issues that need to be highlighted in this Report.

5. INFORMATION SPECIFICALLY ADDRESSED TO FERROVIAL'S SHAREHOLDERS

Pursuant to article 33 LME, this section sets out the main implications of the approval and completion of the Merger for Ferrovial's shareholders.

In addition to the information provided in this section, Ferrovial will make available on Ferrovial's corporate website (www.ferrovial.com) a "Questions and Answers" about the Merger which, *inter alia*, address the main implications of the Merger for Ferrovial's shareholders.

5.1 ATTENDANCE AND VOTING OF FERROVIAL SHAREHOLDERS AT THE GSM

As already mentioned, the Merger proposed in the Common Draft Terms shall be submitted for approval at the Ferrovial GSM. To that end, the board of directors of Ferrovial will call a GSM.

The shareholders of Ferrovial may attend, participate in and vote at that GSM as provided for by applicable law, the articles of association and the internal rules of Ferrovial, and the documents approved by the board of directors of Ferrovial for the call of the GSM. All necessary information in this regard will be available on Ferrovial's corporate website (www.ferrovial.com).

5.2 FERROVIAL'S SHAREHOLDERS TO BECOME FISE'S SHAREHOLDERS

As a consequence of the Merger, shareholders of Ferrovial will cease to have that status and will become shareholders in FISE. This will be implemented through the allocation of new shares in FISE to Ferrovial's shareholders pursuant to the Exchange Ratio, as described in sections 3.3.2 and 4.2 above.

In view of the foregoing, the current shareholder status of the Ferrovial's shareholders will change following the Merger Effective Time, as determined by the law applicable to FISE (i.e., Dutch law), and by FISE's articles of association and internal rules.

The Boards have designed the proposed corporate governance system that will apply to FISE after the Merger Effective Time starting from current Ferrovial's corporate governance system and implementing such changes they considered required or desirable taking into consideration Dutch law, Dutch Corporate Governance Code and Dutch and local market practice.

As indicated in section 3.4.2 of this Report, before the publication of the call for the Ferrovial GSM that will vote on the Merger, the following information will be published on the corporate website of Ferrovial: (i) the articles of association of FISE that will apply as of the Merger Effective Time, which are an integral part of the Common Draft Terms; (ii) an informative document on certain resolutions that are expected to be adopted by the general shareholders' meeting and the board of directors of FISE in the context of the Merger; (iii) the directors' remuneration policy which, if approved by the Ferrovial GSM, will apply to FISE's directors as of the Merger Effective Time; and (iv) a "Questions and Answers" document that, *inter alia*, addresses the future corporate governance of FISE.

In addition to the foregoing, **Annex 5.2** to this Report includes a table which summarises the main elements of the current corporate governance of Ferrovial and the proposed corporate governance of FISE.

5.3 WITHDRAWAL MECHANISM

Pursuant to article 62 LME, Ferrovial shareholders who vote against the Merger at the Ferrovial GSM will be entitled to exercise their withdrawal rights in respect of the Ferrovial Shares owned by them five days before the Ferrovial GSM and still owned by them at the time they exercise the right (the "**Withdrawal Mechanism**").

In accordance with article 348 LSC, Ferrovial's shareholders entitled to do so may exercise their withdrawal rights within one month from the announcement in the Official Gazette of the Commercial Registry (*Boletín Oficial del Registro Mercantil –BORME–*) of the approval of the Merger by the Ferrovial GSM. The manner in which the withdrawal right may be exercised will be disclosed in that announcement, which will also be made available on the website of the CNMV and Ferrovial's corporate website (www.ferrovial.com).

In accordance with article 353.2 LSC, in conjunction with applicable securities market regulations, the price payable to the withdrawing Ferrovial shareholders will be EUR 26.0075 per Ferrovial Share, which corresponds to the average trading price of Ferrovial Shares during the three-month period ending on 27 February 2023 (i.e., the day prior to that on which the Merger was disclosed to the market).

5.4 BRIEF DESCRIPTION OF THE TAX IMPLICATIONS FOR FERROVIAL'S SHAREHOLDERS

The main Dutch and Spanish tax aspects of the Merger for Ferrovial shareholders are summarised below. Please note that Ferrovial shareholders resident in jurisdictions outside the EU and EEA may also be subject to taxation in respect of the Merger in their country of residence or in jurisdictions to which the

Ferrovial Shares may be allocated for local tax purposes. The potential impact of this potential taxation is not covered in this section. Shareholders should consult their tax advisors concerning the tax treatment in connection with the Merger.

5.4.1 Spain

The Special Tax Neutral Regime described in section 3.5.1 above will apply to Ferrovial shareholders resident in Spain and in other EU or EEA Member States. Consequently, the FISE Shares received as part of the Merger will have the same tax basis as the exchanged Ferrovial Shares had immediately before the Merger, provided that the relevant shareholder does not operate through a non-cooperative jurisdiction. As such, such shareholders should not realise a taxable capital gain in Spain as a result of the Merger.

Transfers of Ferrovial Shares resulting from the exercise by the shareholders of the Withdrawal Mechanism prior to the Merger will give rise to capital gains or losses that may be subject to Spanish tax.

The Special Tax Neutral Regime does not apply to shareholders not resident in an EU or EEA Member State. Thus, those shareholders do not have the advantage of the Special Tax Neutral Regime and may incur gains or losses for tax purposes in Spain as a result of the Merger. However, if they are resident in countries that have entered into a treaty for the avoidance of double taxation with Spain, and are entitled to the benefits of the treaty, are most likely exempt from Spanish taxation under the terms of the relevant tax treaty.

In addition, shareholders who are not resident in an EU or EEA Member State, nor in a country with which Spain has entered into a treaty for the avoidance of double taxation do not have the advantage of the Special Tax Neutral Regime and may incur gains or losses subject to Spanish Non-Resident Income Tax. In any case, gains associated to Ferrovial's subsidiaries or interests entitled to the *Entidad de Tenencia de Valores Extranjeros* regime are exempt of Spanish Non-Resident Income Tax.

Shareholders acting through tax haven jurisdictions will trigger gains or losses as a result of the Merger which are subject to Spanish Non-Resident Income Tax.

5.4.2 The Netherlands

The Merger is considered to take place for valid business reasons and not for tax reasons. Consequently, Dutch tax resident Ferrovial shareholders should not have to recognise any capital gain for Dutch personal income tax (*inkomstenbelasting*) or Dutch corporate income tax (*vennootschapsbelasting*) purposes upon the Merger and the FISE Shares allocated to such shareholder in the Merger will have the same tax book value as the tax book value of the Ferrovial Shares held directly prior to the Merger.

6. INFORMATION SPECIFICALLY ADDRESSED TO EMPLOYEES

Pursuant to article 33 LME, this section sets out the main implications of the Merger for Ferrovial's and FISE's employees. Specifically:

- (A) *Implications of the Merger for employment relationships, as well as measures for safeguarding those relationships*

The Merger will not have any direct effects on the Merging Companies' employees. They will continue to be employed under the same terms and conditions after the Merger Effective Time. Moreover, employment measures are not envisaged as a consequence of the Merger.

The main employment effect of the Merger is that Ferrovial's employees will become employees of FISE's Spanish Branch Office at the Merger Effective Time, automatically and by operation of article 44 SW. Therefore, it will not be necessary to implement any measures for safeguarding employment relationships.

Notwithstanding the above, after the Merger Effective Time some of Ferrovial's employees may voluntarily relocate to the Netherlands. Similarly, it is possible that another group of Ferrovial's employees transfer and become employed by other operative subsidiaries of the Ferrovial Group in Spain. In both cases, these would be voluntary transfers, carried out respecting the employees' consolidated rights and their employment terms and conditions.

(B) *Material changes to the applicable conditions of employment or to the location of the Merging Companies' places of business*

The terms and conditions of employment of the Merging Companies' workforces will remain the same after the Merger. Their places of business will also remain the same, except for those employees of Ferrovial who voluntarily relocate to the Netherlands or transfer and become employed by other operative subsidiaries of the Ferrovial Group in Spain.

After the Merger Effective Time, the main place of business of the company resulting from the Merger will be the Netherlands, without prejudice of those activities of Ferrovial that are continued by FISE's Spanish Branch Office.

(C) *How the factors set out in points (A) and (B) affect any subsidiaries of the Merging Companies*

The factors set out in points (A) and (B) will not have any effects on the subsidiaries of the Merging Companies. The sole exception is that, as explained above, it is likely that after the Merger Effective Time some of Ferrovial's employees voluntarily relocate to subsidiaries of the Ferrovial Group in the Netherlands and Spain.

7. REPERCUSSIONS OF THE MERGER ON THE CREDITORS

7.1 GENERAL

Upon completion of the Merger, Ferrovial will be dissolved without going into liquidation by transferring *en bloc* all its assets, liabilities and other legal relationships to FISE, which will in turn acquire, by universal succession (*in universum ius*), all such assets, liabilities and other legal relationships. The legal relationships of Ferrovial, including those assumed towards its creditors, will remain in force, although the holder or the corresponding obligations will have changed to FISE by operation of law.

The obligations assumed by FISE towards its creditors prior to the Merger will be unaffected by the Merger.

7.2 NO ADDITIONAL GUARANTEES

As indicated in section 7.2 of the Common Draft Terms, no guarantees or other particular measures in favour of the creditors of Ferrovial or FISE are proposed in the context of the Merger, except as provided for in the applicable law in respect of the opposition right.

7.3 OPPOSITION RIGHT

Creditors of the Merging Companies will have the right to oppose the Merger subject to the terms provided for in the applicable law. In particular:

(i) *FISE's creditors' opposition right*

Creditors of FISE may exercise their opposition rights *vis-à-vis* FISE on the terms and subject to the conditions provided for in section 2:316 DCC.

Section 2:316 DCC, as currently enacted, provides, *inter alia*, that the creditors' opposition right may be exercised within one month of the announcement that the common draft terms of a cross-border merger have been deposited or disclosed for public inspection.

(ii) *Ferrovial's creditors' opposition right*

Creditors of Ferrovial may exercise their opposition right *vis-à-vis* Ferrovial on the terms and subject to the conditions provided for in article 44 LME.

Article 44 LME, as currently enacted, provides, *inter alia*, that the creditors' opposition right may be exercised within one month of the date on which the last announcement that the merger has been approved by the relevant general shareholders' meeting is published.

8. DIRECTIVE 2019/2121

As at the date of this Report, Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019, amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions (the "**Directive 2019/2121**") is pending transposition in both Spain and the Netherlands.

In Spain, a draft bill (*anteproyecto de ley*) has been published to approve a new law on structural modifications of business corporations that would serve to transpose Directive 2019/2121 into Spanish law. As the relevant legal procedure to approve the law is ongoing and the draft bill might experience several changes, it is not currently possible to determine precisely the impact, if any, that the new law may have on the Merger.

In the Netherlands, a draft bill to approve certain amendments to the DCC that would serve to transpose Directive 2019/2121 into Dutch law has been published. Currently, there is no certainty on when and in what form this draft bill would ultimately be enacted, and whether enactment of the draft bill would impact the Merger.

* * * *

This Report has been prepared and approved by the board of directors of Ferrovial in accordance with article 33 LME in relation to the Merger.

Madrid, on 28 February 2023

ANNEX 5.2

Comparison of governance

The table below summarises the main elements of the current governance of Ferrovial and the governance of FISE following implementation of the Merger.

The summary as set forth herein is qualified in its entirety by reference to: (a) the full text of the articles of association of FISE as they will read upon completion of the Merger; (b) the full text of the articles of association of Ferrovial currently in force; and (c) the provisions of Dutch and Spanish law applicable to FISE and Ferrovial, respectively, as at the date of the Report; and (d) the Common Draft Terms of the Merger, formulated and approved by the Boards.

The current articles of association of Ferrovial are available on its corporate website, along with the regulations of the general shareholders' meeting and the regulations of the board of directors (www.ferrovial.com).

The proposed articles of association of FISE are available on Ferrovial's corporate website, attached to the Common Draft Terms of the Merger.

This summary does not constitute legal advice and should not be regarded as such, and the contents set out below are provided for informative purposes only. Capitalised terms used but not defined herein have the meaning ascribed to them in the Report to which this document is a Schedule.

Ferrovial		FISE
GENERAL		
Jurisdiction, corporate seat		
Ferrovial is a public limited liability company (<i>sociedad anónima</i>) incorporated and existing under the laws of the Kingdom of Spain with its corporate seat in Madrid, Spain.		FISE is a European company (<i>Societas Europaea</i>) under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands.
Place of effective management		
Ferrovial's place of effective management is in Spain.		FISE's place of effective management will be in the Netherlands.

Ferrovial		FISE
Listing - trading venues		
Ferrovial Shares are listed on the Spanish Stock Exchanges.		At or shortly following the Merger Effective Time, FISE Shares will be listed and admitted to trading on Euronext Amsterdam and the Spanish Stock Exchanges. FISE will apply at a later time for admission to listing and trading on one of the United States of America stock markets.
Corporate Bodies		
The corporate bodies of Ferrovial are the general shareholders' meeting, the board of directors and the delegated bodies thereof.		The corporate bodies of FISE will be the general meeting, the board of directors and the delegated bodies thereof.
The board of directors has delegated all of its powers to the executive committee, the Executive Chairman and the Chief Executive Officer (save for those that cannot be delegated in accordance with the law or Ferrovial's articles of association).		Pursuant to Dutch law and the articles of association, the board of directors may allocate its duties among its directors. Directors may validly adopt resolutions on behalf of the board of directors on matters allocated to them. The board of directors will allocate all its duties to the chairman and the Chief Executive Officer (acting individually) and will also allocate all its duties to the executive committee (consisting of directors only). In each case, such allocations are made subject to applicable law, the articles of association and the board rules.
Within the board of directors there are two advisory committees: the audit and control committee and the nomination and remuneration committee.		Within the board of directors there will be two advisory committees: the audit and control committee and the nomination and remuneration committee.
SHARES AND CAPITAL		
Share capital		
Ferrovial has an issued share capital of EUR 145,488,652.20, which consists of 727,443,261 Ferrovial Shares, each with a nominal value of EUR 0.20. All issued Ferrovial Shares are represented by accounting entries (<i>anotaciones en cuenta</i>) and are completely paid up.		FISE's authorised share capital will be set out in its articles of association and will amount to EUR 30,000,000 representing 3,000,000,000 FISE Shares with a nominal value of EUR 0.01 each.

Ferrovial		FISE
<p>Spanish law does not have a concept equivalent to that of authorised capital within the meaning of Dutch law.</p>		<p>Upon the Merger Effective Time, FISE's issued share capital will consist of a number of FISE Shares equal to the number of Ferrovial Shares in the share capital of Ferrovial immediately prior to the Merger Effective Time. FISE's issued share capital may change over time provided that it cannot be greater than the authorised share capital or lower than one-fifth thereof.</p>
Issuance of shares		
<p>The issuance of Ferrovial Shares must be approved by the general shareholders' meeting, and the general shareholders' meeting can authorise the board of directors to determine the main terms of the share issue, within the terms established by the law and the corresponding general shareholders' meeting resolution.</p>		<p>FISE Shares can be issued and rights to subscribe for FISE Shares can be granted pursuant to a resolution of the board of directors if and insofar as the board of directors has been authorised by the general meeting to do so. Alternatively, if and insofar as the board of directors has not been so authorised, the general meeting may resolve to issue and grant rights to subscribe for FISE Shares upon a proposal thereto by the board of directors.</p>
<p>Pursuant to Ferrovial's articles of association and the resolutions passed by the general shareholders' meeting of Ferrovial from time to time, the board of directors is authorised to increase Ferrovial's share capital up to a specific amount, at the time and in the amount it decides within the limitations established by law.</p>		<p>The board of directors will, for a period of eighteen months from the Merger Effective Time, be authorised to issue FISE Shares, or grant rights to subscribe for FISE Shares, for up to 10% of FISE's issued share capital.</p>
Pre-emptive rights		
<p>Ferrovial's existing shareholders have pre-emptive rights to subscribe, in proportion to the nominal value of the shares they hold, for any new shares issued against monetary contributions.</p> <p>Existing shareholders do not hold such pre-emptive rights when the share issue is a consequence of: (i) non-cash contributions; (ii) the capitalisation of credit rights (debt-for-equity swaps); (iii) the conversion of convertible bonds (<i>obligaciones convertibles</i>) into shares; (iv) the takeover of another company or part of another company as a result of a spin-off; or (v) a tender offer launched by Ferrovial for which the consideration consists, in whole or in part, of equity instruments to be issued by Ferrovial.</p>		<p>Upon an issue of FISE Shares or granting of rights to subscribe for FISE Shares, each shareholder has a pre-emptive right proportional to its shareholding, unless (i) such FISE Shares are issued to employees, against a contribution in kind or pursuant to the exercise of a previously acquired right to subscribe for FISE Shares or (ii) such pre-emptive rights are limited or excluded.</p>

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<p>In accordance with Spanish law and Ferrovial's articles of association, the general shareholders' meeting and the board of directors, if and insofar as authorised to do so by the general shareholders' meeting, have the authority to limit or exclude pre-emptive rights on the grounds of Ferrovial's corporate interest.</p>		<p>The board of directors, if and insofar as authorised to do so by the general meeting, has the authority to limit or exclude pre-emptive rights. Alternatively, if and insofar as the board of directors has not been so authorised, the general meeting may resolve to limit or exclude pre-emptive rights upon a proposal thereto by the board of directors.</p>
<p>Under Spanish law, a resolution of the general shareholders' meeting to restrict or exclude pre-emptive rights or to designate the board of directors as the body authorised to do so requires a majority of: (i) more than half of the votes cast if more than 50% of the share capital is represented at the meeting; (ii) at least two-thirds of the votes cast if 25-50% of the share capital is represented at the meeting on the second call.</p>		<p>A resolution of the general meeting to restrict or exclude pre-emptive rights or to designate the board of directors as the body authorised to do so requires a majority of at least two-thirds of the votes cast if less than one-half of the issued share capital is represented at the meeting. Otherwise, the resolution can be adopted by a majority of votes cast.</p>
<p>The general shareholders' meeting held on 5 April 2019 authorized the board of directors, under item nine of its agenda, for a period of five years (i.e. until April 2024), to issue shares limiting or excluding pre-emptive rights for a maximum amount equal to 20% of Ferrovial's share capital.</p>		<p>The board of directors will, for a period of eighteen months from the Merger Effective Time, be authorised to limit or exclude pre-emptive rights in respect of share issuances for up to 10% of FISE's issued share capital.</p>
<p>Ferrovial's shareholders may exercise their pre-emptive rights within the period of time established by the board of directors, which cannot be less than 14 days.</p>		<p>FISE's shareholders may exercise their pre-emptive rights in the manner and within the period of time established by the corporate body resolving on the issue of shares. Pursuant to Dutch law, the period of time cannot be less than two weeks.</p>
<p>Also, holders of shares have the right of free allotment (<i>derecho de asignación gratuita</i>) in the event of capital increase against reserves, such as the ones agreed by the general shareholders' meeting in the context of Ferrovial's flexible dividend program.</p>		<p>The corporate body resolving on the issue of FISE Shares may determine that such FISE Shares are paid up from freely distributable reserves or other reserves suitable for conversion into share capital under Dutch law.</p>
Acquisition of own shares		
<p>Ferrovial may acquire Ferrovial Shares, subject to certain restrictions and exceptions under Spanish law, up to 10% of Ferrovial's share capital.</p>		<p>FISE may, subject to certain restrictions of Dutch law and the articles of association, acquire FISE Shares.</p>

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<p>The acquisition of Ferrovial Shares must be authorised by the general shareholders' meeting, save for those cases of free acquisition established by the law.</p>		<p>An acquisition, other than by operation of law (<i>onder algemene titel</i>), of FISE Shares for consideration must be authorised by the general meeting.</p>
<p>The acquisition of Ferrovial Shares aimed at transferring those shares to employees or directors of Ferrovial, or as a result of the exercise of option rights held by them, must be authorised by the general shareholders' meeting. The corresponding resolution passed by the general shareholders' meeting must state that the authorisation is granted for such purposes.</p>		<p>No authorisation is required if FISE Shares are acquired by FISE with the intention of transferring such FISE Shares to employees under any applicable equity plan, provided that such shares are quoted on an official list of a stock exchange.</p>
<p>The board of directors was authorised by the general shareholders' meeting held on 7 April 2022, under item thirteen on the agenda, to acquire Ferrovial Shares. The acquisition of such shares is subject to certain limitations under applicable law and other limits and requirements determined by that general shareholders' meeting, which include, <i>inter alia</i>, the following: (i) the maximum nominal value of the shares of Ferrovial to be acquired, together with those already held by Ferrovial and any of its subsidiaries, cannot exceed 10% of the share capital of Ferrovial; and (ii) the minimum acquisition price of the shares shall be 75% of their quoted market price on the date of acquisition, and the maximum acquisition price shall be 125% of their quoted market price on the same date.</p>		<p>The board of directors will, for a period of eighteen months from the Merger Effective Time, be authorised to resolve on the acquisition of FISE Shares provided that FISE and its subsidiaries do not hold more than 10% of FISE's issued share capital, and against a price of up to 125% of their quoted price on a market on which FISE Shares are listed, as determined by the board of directors, on the date of repurchase.</p>
<p>Treasury shares held directly or indirectly lack voting rights and are computed as part of the share capital for the purpose of determining the proportions required to hold a meeting and adopt resolutions at the general meeting. Treasury shares directly held lack economic rights (e.g. the right to receive dividends and other distributions and liquidation rights).</p>		<p>FISE and its subsidiaries may not cast votes on FISE Shares held by them nor will such shares be counted for the purpose of calculating a voting quorum.</p> <p>When determining the allocation of an amount to be distributed, FISE Shares held by FISE in its capital are not taken into account.</p> <p>Usufructuaries or pledgees of FISE Shares belonging to FISE or any of its subsidiaries are not excluded from voting if the right of usufruct or the right of pledge was created before such FISE Share was held by FISE or any of its subsidiaries. FISE and its subsidiaries may not cast a vote in respect of a FISE Share over which they hold a right of usufruct or a right of pledge.</p>

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Reduction of share capital		
<p>The reduction of the share capital of Ferrovial requires the approval of the general shareholders' meeting.</p> <p>A capital reduction may be carried out by lowering the nominal share value, redeeming existing shares or grouping shares to exchange them and, in those cases, the reduction of share capital might be aimed at returning contributions to shareholders, waiving any outstanding obligation to make a contribution, creating or increasing voluntary or legal reserves, or restoring the balance between share capital and net worth reduced as a result of losses.</p>		<p>The general meeting may, at the proposal of the board of directors, resolve to reduce the issued share capital by lowering the nominal value of the FISE Shares or cancelling FISE Shares held in treasury.</p> <p>A resolution to cancel FISE Shares can only relate to those held by FISE itself or all FISE Shares of a particular class.</p>
<p>When capital is reduced by returning contributions, (i) payment to shareholders can be made, either entirely or partially, in kind, in accordance with Ferrovial's articles of association and (ii) creditors would have a one-month opposition right, except in certain circumstances.</p>		<p>Share capital reductions may be implemented either with repayment to shareholders, or without repayment to shareholders. Creditors have an opposition right of two months in the event of a reduction of share capital.</p>
<p>The resolution requires special quorum and majorities. Please refer to section "<i>Majorities for the adoption of resolutions</i>" below.</p>		<p>The resolution requires a majority of at least two-thirds of the votes cast if less than one-half of the issued share capital is represented at the meeting.</p>
<p>The board of directors of Ferrovial is authorised to implement a share capital reduction through the redemption of Ferrovial Shares, pursuant to the resolutions passed by the general shareholders' meeting from time to time, within the framework of the shareholders' flexible remuneration schemes.</p>		<p>The general meeting will resolve to cancel FISE Shares at such times and in such number as the board of directors, within a period of eighteen months following the Merger Effective Time, may determine. Such cancellation may be effected by the board of directors in one or more tranches.</p>
Transfer of shares		
<p>Ferrovial Shares and the economic rights attached thereto, including pre-emptive subscription rights, are transferable by all legally admissible means.</p> <p>The entities participating in Iberclear shall register the transfer of Ferrovial Shares by book entry registration. The transfer shall be enforceable against third parties as soon as the corresponding entries have been made.</p>		<p>The transfer of FISE Shares or the establishment of a right in rem over such shares requires a deed and, save when FISE is a party to the deed or in certain exceptions provided for by Dutch law, written acknowledgement by FISE of the transfer or the establishment.</p> <p>For as long as FISE Shares are listed on a regulated foreign stock exchange, the board of directors may resolve, with due observation of applicable statutory provisions, (i) that</p>

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		the above does not apply to the shares that are registered in the part of the shareholders register which is kept outside the Netherlands by a registrar appointed by the board of directors for the purpose of the listing on that foreign stock exchange, and (ii) that the property law aspects of such shares will be governed by the law of the state of establishment of that stock exchange or by the law of the state in which deliveries and other legal acts under property law relating to the shares can or must be made with the consent of that stock exchange.
MANAGEMENT AND SUPERVISION		
Board of directors structure – general		
Ferrovial has a one-tier board.		FISE will have a one-tier board.
Types of directors: (i) executive directors; (ii) non-executive or external directors; (iii) proprietary directors; (iv) independent directors. Pursuant to Ferrovial's articles of association, the number of external or non-executive directors must be a majority. In any event, independent directors shall amount to at least one-third of the directors.		The board of directors will comprise both executive directors and non-executive directors. Pursuant to the articles of association, the majority of the board of directors must consist of non-executive directors.
The board of directors has designated as chairman an executive, proprietary director. Therefore, the non-executive or external directors are coordinated by a lead director (<i>consejero coordinador</i>), in accordance with Spanish law.		The board of directors designates its chairman from among the directors. In case the chairman is not an independent non-executive director, the board of directors will designate an independent non-executive director as lead director.
The regulation of the board of directors' structure and functioning is contained in Ferrovial's articles of association and Ferrovial's regulations of the board of directors. The general shareholders' meeting must be informed of the amendments of the latter. Ferrovial's board rules are available on its corporate website.		The board of directors may adopt regulations governing its internal proceedings in writing. FISE's board rules will be made available on the website.

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Number of directors		
<p>The board of directors shall propose to the general shareholders' meeting the number of directors within the limits provided by the articles of association: five to fifteen members, who must be natural persons.</p> <p>On the date hereof, the board of directors of Ferrovial is composed of twelve members as resolved at the general shareholders' meeting held on 1 April 2011.</p>		<p>The board of directors must consist of one or more executive directors and two or more non-executive directors.</p> <p>The board of directors determines the exact number of directors, provided that the number of directors must be at least three and cannot exceed twelve.</p> <p>Immediately following the Merger Effective Time, the board of directors is envisaged to consist of two executive directors and ten non-executive directors, of whom nine qualify as independent non-executive directors.</p>
Appointment of directors		
<p>Directors are appointed by the general shareholders' meeting, except in the case of co-optation.</p>		<p>Directors are appointed by the general meeting pursuant to a nomination thereto by the board of directors.</p>
Appointment of directors – co-optation		
<p>Should the board of directors be composed of a number of members below the one resolved upon by the general shareholders' meeting due to vacancies, then the remaining directors may designate the person or persons who are to fill such positions until the next general shareholders' meeting is held (the so-called co-optation –<i>cooptación</i>–). Directors appointed through co-optation need not be shareholders.</p> <p>Aside from the provision of vacancies through co-optation and proportional representation (referred to below), the board of directors as a whole is entitled, pursuant to Spanish law to self-regulate its own functioning, in the absence or inability of an executive director.</p>		<p>If the seat of an executive director is vacant or in case an executive director is unable to act, the remaining executive director or executive directors shall temporarily be entrusted with the tasks and duties of that executive director. In addition, the board of directors may designate a temporary replacement.</p> <p>If there are no executive directors in office and able to act, the non-executive directors may decide that they are entrusted with the tasks and duties of the executive directors, notwithstanding that the board of directors may provide for a temporary replacement.</p> <p>If the seat of a non-executive director is vacant or in case a non-executive director is unable to act, the remaining non-executive director or non-executive directors shall temporarily be entrusted with the tasks and duties of that non-executive director. In addition, the board of directors is authorised to designate a temporary replacement.</p> <p>If there are no non-executive directors in office and able to act, the general meeting will be authorised to temporarily entrust the tasks and duties of the non-executive directors</p>

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		<p>to one or more temporary replacements. If all non-executive director seats on the board of directors are vacant, such temporary replacements shall as soon as possible take the necessary measures to make definitive arrangements.</p> <p>In all cases, a temporary replacement serves until the earlier of the moment on which the seat in the board of directors for which he serves as temporary replacement is again occupied by a director able to act and the end of the annual general meeting following his designation.</p>
Appointment of directors – proportional representation right		
<p>Ferrovial shareholders are entitled to appoint a number of directors proportional to the voting rights they hold (either individually or by pooling their voting shares) (<i>derecho de representación proporcional</i>). However, the exercise of this right is subject to the existence of vacancies in the board of directors.</p>		<p>Shareholders do not have a right of proportional representation of shareholders on the board of directors.</p>
Term of office		
<p>Ferrovial's directors are elected to serve for a term of three years, and may be re-elected to serve for an unlimited number of terms of the same duration (bearing in mind that independent directors serving as such for more than twelve consecutive years may no longer be considered as independent).</p>		<p>Each director will be appointed or reappointed for a term set out in the nomination.</p> <p>Notwithstanding the foregoing, the term of appointment of a director shall not exceed the end of the annual general meeting held in the third calendar year following the year of appointment.</p>
Powers and duties of the directors – general		
<p>Spanish law provides that the board of directors is responsible for the management, administration and representation (through the board of directors or individually through each authorized director) of a company in respect of all matters comprised within the objects clause and for establishing the companies' policies and strategies, subject to the provisions of the articles of association and except for those matters expressly reserved to the general shareholders' meeting.</p> <p>Ferrovial may be represented by the board of directors, the executive committee or by each executive director acting individually.</p>		<p>Dutch law provides that the board of directors is responsible for the management of a company, which includes in any case guiding the company's strategy and policy.</p> <p>FISE can be represented by its board of directors or each executive director acting individually.</p>

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<p>The board of directors is authorised to, <i>inter alia</i>, change the registered address, reduce the share capital if shareholders exercise their right of withdrawal, resolve on matters delegated by the general shareholders' meeting to the extent permitted by law, and to resolve on any other matter expressly attributed by the law or Ferrovia's articles of association to the board of directors.</p>		<p>The board of directors is authorised to, <i>inter alia</i>, change the registered address, resolve on matters delegated by the general meeting to the extent permitted by law, and to resolve on any other matter attributed by the law or FISE's articles of association to the board of directors.</p>
<p>The Chief Executive Officer is solely authorised to represent Ferrovia on those matters that have been delegated by the board of directors, to the extent permitted by the law.</p>		<p>The board of directors as well as each executive director acting individually may represent FISE.</p>
Conflicts of interest		
<p>Directors are required to avoid situations which could give rise to a conflict between their duties to the company and their private or other interests, unless they have obtained the prior company's consent.</p>		<p>A director may not participate in the adoption of resolutions (including deliberations in respect of these) if such director has a direct or indirect personal interest conflicting with the interests of FISE.</p>
<p>Each member of the board of directors is required to report to the board of directors any circumstances that may give rise to a direct or indirect conflict of interest with the company.</p>		<p>An executive director must, without delay, report any potential conflict of interest that is material to FISE or such executive director to the other executive directors and the lead director or, if the chairman is an independent director, the chairman. The executive director must provide all relevant information on this subject in accordance with Dutch law.</p> <p>A non-executive director must, without delay, report any potential conflict of interest that is material to FISE or such non-executive director to the lead director or, if the chairman is an independent director, the chairman. In case it concerns the lead director or, if the chairman is an independent director, the chairman, such report must be made to the vice-chairman. The non-executive director must provide all relevant information on this subject in accordance with Dutch law.</p>
<p>Transactions (i) between Ferrovia (or its subsidiaries) and its directors; or (ii) between Ferrovia and legal entities or persons who hold at least ten per cent of the voting rights in Ferrovia or who are represented on the board of directors may only be entered into if previously authorized by:</p> <p>(i) the board of directors; or</p>		<p>Transactions (i) in respect of which the board of directors has found one or more directors to have a conflict of interest or (ii) between FISE and with legal entities or persons who hold at least ten per cent of the shares in FISE:</p>

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<p>(ii) the general shareholders' meeting if the amount or value of the transaction is equal to or exceeds 10% of the total assets of Ferrovial according to the last consolidated balance sheet approved by the general shareholders' meeting.</p> <p>All of the above authorizations are subject to the issuance of a prior report by the audit and control committee.</p> <p>However, in certain circumstances, the approval of the transactions referred to in (i) above may be delegated by the board of directors, in which case there is no requirement for the audit and control committee to issue the abovementioned report.</p> <p>All conflicts of interest involving directors will be disclosed in the financial statements.</p>		<p>(i) may only be entered into if FISE enters into the transaction on terms that are customary in the market and in compliance with the law of the relevant jurisdiction; and</p> <p>(ii) require the approval of the board of directors if the transaction is of material significance to FISE or to the relevant director.</p> <p>Resolutions as referred to above will be published in FISE's management report.</p>
Diversity of the board of directors		
<p>Pursuant to Spain's Code of Corporate Governance of listed companies, it is recommended (not required) that at least 40% of the directors are women by the year 2022. At Ferrovial, the current proportion is approximately 33.3%.</p>		<p>Subject to such exceptions as provided for in Dutch law, Dutch listed companies with a listing on Euronext Amsterdam, such as FISE, must comply with a quota of at least one-third for both women and men in the role of non-executive directors. The quota applies to new appointments, meaning companies can reappoint a non-executive director without complying with the one-third quota in respect of such re-appointment, but only where this happens within eight years after the year of the non-executive director's first appointment.</p>
Suspension and removal of directors		
<p>Directors may generally be removed when it has been so decided at the general shareholders' meeting, even if it was not included on the agenda and even if it is without cause.</p>		<p>Each director can be removed from office by the general meeting.</p>
<p>The concept of suspension of directors is alien to Spanish law.</p>		<p>Each director can be suspended by the general meeting. Such a suspension may be discontinued by the general meeting at any time.</p> <p>The board of directors may suspend an executive director at any time. Such a suspension may be discontinued by the board of directors or the general meeting at any time.</p>

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		<p>A suspension may be extended one or more times, but the total duration of the suspension may not exceed three months. If at the end of that period no decision has been taken on termination of the suspension or on dismissal, the suspension ends.</p>
Reflection period		
<p>The concept of reflection period is alien to Spanish law.</p>		<p>Pursuant to Dutch law, the board of directors may invoke a reflection period (<i>wettelijke bedenktijd</i>) with a maximum of 250 days in the case of shareholders proposing agenda items for the general meeting for the election, suspension or removal of one or more directors or an amendment of the articles of association relating to such matters or in case of a public offer that is not supported by FISE.</p> <p>During such reflection period, the general meeting will not be able to vote on the aforementioned proposals. During the reflection period, the board of directors must obtain all information necessary for careful policy-making in connection with the shareholders' requests.</p> <p>Shareholders who under Dutch law have the right to put items on the agenda of the general meeting may request the Dutch Enterprise Chamber (<i>Ondernemingskamer</i>) to terminate the reflection period for such reasons as set out in Dutch law.</p> <p>The board of directors can voluntarily terminate the reflection period at any time.</p>
Remuneration of directors		
<p>The remuneration of each director acting as such and of executive directors is established by the board of directors within the legal framework and the remuneration policy in force from time to time, with the prior report of the nomination and remuneration committee.</p> <p>The remuneration policy establishes, <i>inter alia</i>: (i) the maximum global amount to be paid to directors for the exercise of their duties as such; (ii) the criteria for the allocation of such maximum global amount to the directors; and (iii) the amounts to be paid to the executive directors for the rendering of management services.</p>		<p>The remuneration and other terms of service for executive directors is determined by the board of directors with due observance of the remuneration policy adopted by the general meeting at the proposal of the board of directors.</p> <p>The remuneration of non-executive directors is determined by the board of directors with due observance of the remuneration policy adopted by the general meeting at the proposal by the board of directors.</p> <p>Executive directors may not participate in the deliberations and decision-making process of the board of directors in determining the remuneration and other terms of service for executive directors.</p>

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		In exceptional circumstances FISE may deviate from the remuneration policy.
Proposals for new director remuneration policies must be submitted to the general shareholders' meeting prior to the end of the last financial year in which the previous policy was applied, and the general shareholders' meeting may determine that the new policy shall apply from the date of approval and for the following three financial years. The remuneration policy must be submitted to the general shareholders' meeting at least every three years. The resolution to adopt a remuneration policy requires a majority of the votes cast. If the proposal is not adopted, the existing remuneration policy will continue to apply and a new proposal must be made to the general shareholders' meeting.		The remuneration policy needs to be re-submitted to the general meeting if more than four years have lapsed since the most recent policy was adopted. The resolution to adopt a remuneration policy requires a majority of the votes cast. If the proposal is not adopted, the existing remuneration policy will continue to apply and a new proposal must be made to the general meeting.
A remuneration report must be submitted to a non-binding advisory separate vote of the general shareholders' meeting annually. Please refer to section " <i>Regular Disclosure obligations</i> " below.		A remuneration report must be submitted to a non-binding advisory vote of the general meeting annually. Please refer to the section " <i>Regular disclosure obligations</i> " below.
Liability of directors		
Directors are liable to the company, the shareholders and the creditors for any actions or omissions that are unlawful or contravene the articles of association and for failure to perform their statutory and fiduciary duties diligently. Subsequent ratification or approval by the general shareholders' meeting of any such act or omission (detrimental to the company) does not forego directors' liability.		Each director shall be responsible towards FISE for the proper performance of his duties. All duties not allotted to one or more other directors by or pursuant to the law or the articles of association shall form part of the director's duties. Directors may be liable towards the company for improper management.
Pursuant to Spanish law, liability of the directors is joint and several, except to the extent any director can demonstrate that he or she did not participate in the decision-making process related to the relevant act or omission, was unaware of its existence or if being aware of it, he or she used his or her best efforts to mitigate any damages to the company or if he or she, at least, expressly opposed to such act or omission.		Each director shall be responsible for the general course of affairs. He shall be wholly liable for improper management, unless no serious reproach can be made against him, having regard to the duties allocated to others, and he was not negligent in acting to prevent the consequences of improper management.
The liability action against directors shall be brought by the company pursuant to a decision of the general shareholders' meeting, which may be adopted at the request		Please refer to section " <i>Shareholder suits</i> ".

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<p>of any shareholder even if not included on the agenda. Please refer to section “Shareholder suits”.</p> <p>The general shareholders’ meeting may settle or waive such action at any time, unless shareholders representing 3% of the share capital oppose to such settlement or waiver.</p> <p>The decision to bring an action or reach a settlement shall entail the removal of the relevant directors. The approval of the financial statements shall not preclude action for liability nor constitute a waiver of the action agreed to brought.</p>		
GENERAL MEETING OF SHAREHOLDERS		
Ordinary and extraordinary general shareholders’ meeting matters		
<p>Pursuant to Spanish law, in an ordinary general shareholders’ meeting the following matters must be resolved on: (i) the approval of the management of the company carried out by the board of directors during the previous financial year; (ii) the approval of the financial statements corresponding to the previous financial year; and (iii) the allocation of the previous financial year’s income or loss.</p> <p>Any other matters reserved to shareholders may be discussed and resolved on at either an ordinary or an extraordinary general shareholders’ meetings.</p> <p>Some resolutions (the dismissal of directors and the decision to bring liability action against directors of the company) may be passed without being included in the agenda in advance.</p>		<p>Dutch law does not provide that certain resolutions can only be adopted at an annual general meeting or at an extraordinary general meeting.</p> <p>In practice, among other matters, the following matters are addressed at the annual general meeting: (i) the adoption of the annual report (ii) discharge of directors from liability for their services rendered, (iii) (re-)appointment of directors in case of vacancies and (iv) a non-binding advisory vote on the remuneration report.</p> <p>Items not timely included on the agenda for a general meeting can only be resolved on with a unanimous vote in a general meeting where the entire share capital is present or represented.</p>
Call to convene		
<p>The ordinary general shareholders’ meeting must be held within the first six months of each financial year. The annual general shareholders’ meeting shall be valid even if called or held after this term has expired.</p> <p>Any general shareholders’ meeting different from the ordinary general shareholders’ meeting shall be considered extraordinary.</p>		<p>The annual general meeting must be held within six months of the end of the financial year.</p>

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<p>Extraordinary general shareholders' meetings may be held as often as the board of directors deems appropriate in the interest of Ferrovial or whenever required by the law or Ferrovial's articles of association.</p>		<p>Extraordinary general meetings may be held as often as the board of directors deems desirable.</p>
<p>One or more shareholders who solely or jointly represent at least the percentage of the issued share capital as required by Spanish law (currently, 3%) may request that a general shareholders' meeting be convened, indicating the agenda. In this case, the general shareholders' meeting shall be held within two months from the date on which the request to the directors to call the meeting was received by notarial service of notice.</p>		<p>One or more shareholders who solely or jointly represent at least the percentage of the issued share capital as required by Dutch law (currently, 10%) may request that a general meeting be convened.</p>
<p>If the general shareholders' meeting is not called within the mandatory period or upon the corresponding request to the board of directors, then the competent court or the Commercial Registry of Ferrovial's registered office can do so at the request of Ferrovial shareholders holding at least 3% of Ferrovial's share capital (or, in the case of meetings not held within the mandatory period, at the request of any shareholder) and after hearing the directors.</p>		<p>If the board of directors fails to take the measures necessary to allow the general meeting to be held within the statutory term after the request, the requesting persons with meeting rights may, subject to applicable law, seek authorisation by a court in preliminary relief proceedings to convene a general meeting.</p>
<p>The notice to call both ordinary and extraordinary general shareholders' meetings shall be published at least one month before the date scheduled for the meeting.</p> <p>Extraordinary general shareholders' meetings may be called at least fifteen days in advance provided Ferrovial offers all shareholders the possibility of voting by electronic means accessible to all shareholders. The shortening of the notice period shall require an express resolution adopted at an ordinary general shareholders' meeting by at least two-thirds of the share capital with voting rights, which may not be valid beyond the date of the next such meeting.</p>		<p>The notice to a general meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days.</p>
<p>The call notice shall state the date, place and time of the meeting on first call and the capacity of the person or persons making the announcement, the manner in which the general shareholders' meeting is to be held, matters to be resolved upon –as proposed by the board of directors–, the Record Date (as defined below), the place where shareholders can obtain the informative documents and the proposed resolutions and a reference to the corporate website where all such information will</p>		<p>The notice convening a general meeting is issued by an announcement, which is published electronically and which is directly and permanently available until the time of the general meeting. The notice must state the subjects to be dealt with, the time and place (where applicable) of the meeting, the record date, the manner in which persons entitled to attend the general meeting may register and exercise their rights, the time on which registration for the meeting must have occurred ultimately, as well as the place</p>

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<p>be made available. It shall also refer to the procedures that the company's shareholders must follow to participate in and vote, as well as to request information and to file new proposals.</p> <p>The announcement may also state the date on which, if appropriate, the general shareholders' meeting will meet on second call. Between the first and second call twenty-four hours at least must elapse. To the extent possible, shareholders shall be advised of the greater likelihood of the meeting being held either on first or second call.</p>		<p>where the meeting documents may be obtained, and such other information as may be required by Dutch law.</p>
<p>The notice to call the general shareholders' meeting must be published, at least, on: (i) the Official Gazette of the Commercial Registry (<i>Boletín Oficial del Registro Mercantil</i>) or one of the most widely circulated newspapers in Spain; (ii) the Spanish National Securities Markets Commission (<i>Comisión Nacional del Mercado de Valores</i>, "CNMV") website; and (iii) Ferrovial's corporate website.</p>		<p>Notices for a general meeting, and such other materials as required under Dutch law, will be published electronically and be posted on FISE's corporate website.</p>
Supplemental call to convene; reasoned motions		
<p>Shareholders representing at least 3% of the share capital may request that a supplement be published in addition to the call of an ordinary general shareholders' meeting, whereby one or more items are requested to be included on the agenda, provided that such new items are accompanied by a justification or, where appropriate, a reasoned motion. Exercise of this right shall be made by certified notice served at the registered office of the Company within five days following publication of the call. The supplemental document to the call of the meeting shall be published at least 15 days prior to the date scheduled for the general shareholders' meeting. Failure to publish the supplemental document to the call within the term established shall render the general shareholders' meeting null and void.</p>		<p>Subject to applicable law, one or more shareholders who solely or jointly represent at least the percentage of the issued share capital as required by Dutch law (currently, 3%) may request that an item is added to the agenda in accordance with Dutch law and the articles of association. Such requests must be received at least 60 days before the day of the general meeting.</p>
<p>Shareholders representing at 3% of the share capital may, within the same period provided above, submit reasoned motions on items that are already on the agenda or which ought to be on the agenda for the scheduled meeting.</p>		<p>No similar concept is applicable under Dutch law.</p>

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Attendance of the general shareholders' meeting/ways of holding the general shareholders' meeting		
<p>The general shareholders' meeting may be held: (i) solely in person; (ii) in person with the possibility of attending remotely; (iii) exclusively through remote means.</p>		<p>The board of directors is authorised to determine that rights to attend, to participate and, where applicable, to vote in the general meeting can also be exercised by using electronic means of communications (hybrid meetings).</p>
<p>If the meeting is held exclusively by remote means, the board of directors shall include a proper justification in the notice of the call to convene.</p> <p>The holding of the general shareholders' meeting exclusively through remote means shall be subject in all cases to ensuring the identity and appropriate standing of shareholders and their proxies, as well as ensuring that attendees can effectively participate through the remote means provided.</p>		<p>Pursuant to the articles of association of FISE as they will read from the Merger Effective Time, and to the extent permitted under Dutch law, which currently is not the case, the board of directors is also authorised to determine that rights to attend, to participate and, where applicable, to vote in the general meeting can exclusively be exercised by using electronic means of communications (fully electronically held meetings).</p> <p>In case of hybrid meetings or fully electronically held meetings, the board of directors may attach conditions to the use of electronic means of communication.</p>
Admission to the general shareholders' meeting		
<p>All shareholders, including those without a right to vote, have the right to attend the general shareholders' meeting provided they hold, solely or jointly, at least one hundred Ferrovia Shares as of the Record Date.</p>		<p>Any shareholder holding at least one FISE Share at the record date may attend the general meeting.</p>
<p>A shareholder may attend the general shareholders' meeting if such shareholder:</p> <ul style="list-style-type: none"> (i) is duly registered in the book-entry records kept by Iberclear and its member entities five days prior to the day on which the general shareholders' meeting is scheduled (the "Record Date"); (ii) provides evidence of compliance with the aforementioned requirement by means of the corresponding voting card, proxy card or remote voting card issued by Ferrovia, the validation certificate issued by Iberclear or by any other means as provided by law. 		<p>Shareholders may exercise their rights at a general meeting if they are the shareholders on the record date for the general meeting, which is the 28th day before the day of the general meeting.</p>
<p>Furthermore, if so determined by the board of directors, the call may indicate that any interventions and proposed resolutions to be made by those attending by telematic means must be sent before the meeting is constituted.</p>		<p>No similar concept is applicable under Dutch law.</p>

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<p>The chairman of the general shareholders' meeting may authorise the attendance of managers, experts and other persons with an interest in corporate matters. He also may authorise the attendance of any other persons deemed appropriate, although the general shareholders' meeting may revoke this authorisation.</p>		<p>The chairperson of the general meeting decides on all matters relating to admission to the general meeting. The chairperson of the general meeting may admit third parties to the general meeting.</p>
Attendance by proxy		
<p>Ferrovial's shareholders entitled to attend the meeting may appoint a proxy in writing or by other means of remote communication that duly ensure the identity of the shareholder and the representative, provided that all statutory requirements, internal rules and instructions issued by the board of directors upon calling the meeting are followed. The proxy does not need to be a Ferrovial shareholder.</p> <p>Proxies shall be conferred specifically for each general shareholders' meeting.</p>		<p>In the event that meeting rights are or the right to vote in a general meeting is to be exercised by a proxy, such proxy must be in writing and must have been received by FISE no later than on the date determined by the board of directors in the notice to call the general meeting. The requirement that a proxy must be in writing is satisfied when the proxy is recorded electronically.</p>
Proxy solicitation		
<p>Spanish law allows for the public solicitation of proxies by the company (through its directors) or by any shareholder.</p> <p>Proxies may be given to any person, whether or not a shareholder.</p> <p>If representation was granted following a public request, the proxy holder may not vote on those items of the agenda in which it has a conflict of interest, unless it has received specific voting instructions from the shareholder. Another proxy holder can be appointed to vote on those items in relation to which there is a conflict.</p>		<p>No similar concept is applicable under Dutch law.</p>
<p>The delegation may also be granted with respect to those items that, even though not included on the agenda, may be dealt with at the general shareholders' meeting.</p> <p>If the delegation does not include specific instructions, the proxy may vote as they deem appropriate in the baest interest of the represented shareholder.</p>		<p>The way proxies may exercise the meeting and voting rights on a FISE Share depends on the arrangements made between the proxy and the shareholder.</p>

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One person may act as proxy for an unlimited number of shareholders. Where a proxy holder holds proxies from several shareholders, he/she must cast the votes as instructed by each shareholder.		One person may act as proxy for an unlimited number of shareholders.
A proxy may be revoked by giving notice to Ferrovial prior to the meeting or by the shareholder attending the meeting in person or casting an absentee vote.		The way proxies may exercise the meeting and voting rights on a FISE Share depends on the arrangements made between the proxy and the shareholder.
Time and place of the general shareholders' meeting		
<p>The general shareholders' meeting will be held at the place indicated in the notice of the call to convene, within the municipality of Ferrovial's registered office.</p> <p>If the notice to call does not express any location, the general shareholders' meeting shall be deemed to be convened at Ferrovial's registered office.</p> <p>The general shareholders' meeting, when held exclusively by remote means, shall be deemed to be held at Ferrovial's registered office.</p>		The general meeting, unless held fully electronically, must take place in any of the following Dutch municipalities: Amsterdam, Rotterdam, The Hague or Utrecht.
Quorum for general shareholders' meetings		
<p>Other than with respect to the Restricted Matters, the general shareholders' meeting is validly convened:</p> <ul style="list-style-type: none"> (i) on first call, if at least 25% of the share capital with voting rights is represented at the meeting; and (ii) on second call (provided that the notice calling the meeting refers to both the first and the second call), no quorum is required. <p>If the attendance of a certain quorum is required by the law or by Ferrovial's articles of association to validly adopt a resolution regarding one or various items on the agenda for the general shareholders' meeting, and said quorum is not achieved, then the agenda shall be reduced to only include the points that do not require said quorum for valid adoption.</p>		Unless Dutch law or the articles of association provide otherwise, there are no general quorum requirements when holding a general meeting.

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<p>In order for the general shareholders' meeting to validly pass a resolution to amend the articles of association (including a share capital increase or reduction), to transform, to merge, to demerge, to globally assign assets and liabilities, to issue debentures, to remove or limit pre-emptive subscription rights over new shares, or to transfer Ferrovia's registered address abroad ("Restricted Matters"), the attendance (in person or by proxy) of shareholders representing at least 50% of the voting capital on first call, and at least 25% on second call, is required.</p>		<p>The articles of association do not prescribe general quorum requirements for specific resolutions. Under Dutch law, a limited number of specific resolutions are subject to a quorum.</p> <p>These include a specific form of legal demerger whereby shareholders of the demerging company do not become shareholders of each company that acquires assets and liabilities in the demerger.</p>
Majorities for the adoption of resolutions		
<p>Resolutions other than those relating to Restricted Matters can be adopted by simple majority of the voting shares present or represented at the general shareholders' meeting.</p> <p>The following special majorities apply to the Restricted Matters:</p> <p>(i) At meetings held on first call to resolve on Restricted Matters as well as on second call (unless the quorum is below 50%), resolutions can be adopted with the favourable vote of the absolute majority of the votes corresponding to the voting share capital in attendance.</p> <p>(ii) At meetings held on second call to resolve on Restricted Matters, provided that the shareholders present or represented at the meeting represent less than 50% of the share capital (but at least 25%), resolutions can be adopted with the favourable vote of shareholders representing two-thirds of the voting share capital in attendance.</p>		<p>Unless Dutch law or the articles of association provide otherwise, all resolutions of the general meeting are adopted with a simple majority of the votes cast.</p> <p>Dutch law prescribes for a limited number of specific resolutions that a majority exceeding a simple majority of votes cast is required.</p> <p>These include resolutions (i) to reduce the company's share capital and (ii) to restrict or exclude pre-emptive rights or to designate the board of directors as the body authorised to do so, which resolutions require a majority of at least two-thirds of the votes cast if less than one-half of the issued share capital is represented at the meeting.</p> <p>These also include a resolution to amend FISE's articles of association, which require a two-thirds majority of votes cast if less than one-half of the issued share capital is represented at the meeting.</p>
Shareholder vote on certain material transactions		
<p>The following matters are subject to the approval of the general shareholders' meeting:</p> <p>(i) acquisition, disposal or contribution to another company of core assets or the transfer to a subsidiary of core activities previously performed by Ferrovia. Assets are presumed core assets when the amount of the transaction exceeds 25% of the total assets on the balance sheet);</p>		<p>The board of directors must obtain the approval of the general meeting for resolutions regarding a significant change in the identity of FISE or its business, including in any event:</p> <p>(i) transferring the business, or practically the entire business, to a third party;</p> <p>(ii) concluding or cancelling a long-lasting cooperation of FISE or a subsidiary of FISE with another legal person or company or as a fully liable general partner</p>

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<p>(ii) conversion, merger, demerger or global assignment of assets and liabilities and cross-border transfer of registered office ;</p> <p>(iii) transactions of which the effect is equivalent to that of liquidating Ferroviaal.</p> <p>As set out in the Report, the Merger shall be submitted for approval at the Ferroviaal general shareholders' meeting (see item (iii) above).</p>		<p>in a partnership, provided that the cooperation or cancellation is of material significance to FISE;</p> <p>(iii) acquiring or disposing of a participating interest in the share capital of a company with a value of at least one-third of FISE's assets, as shown in the consolidated balance sheet with explanatory notes according to the last adopted annual accounts, by FISE or a subsidiary.</p> <p>In addition, any conversion, legal merger or legal demerger will, subject to certain exceptions under Dutch law, require a resolution by the general meeting.</p> <p>Prior to the Merger Effective Time, Ferroviaal as sole shareholder of FISE will adopt a resolution resulting in, for a period until the adoption of FISE's annual accounts over the financial year that ends on 31 December 2023, transactions entered into during that period as referred to under (iii) above being approved if the value of the participating interest is less than one-third of Ferroviaal's assets, as shown in its consolidated balance sheet with explanatory notes according to its annual accounts adopted over the financial year that ended on 31 December 2022.</p>
Voting rights		
<p>Each Ferroviaal Share confers the right to cast one vote in the general shareholders' meeting.</p>		<p>Each FISE Share confers the right to cast one vote in the general meeting.</p>
Amendments to the By-Laws / Articles of Association		
<p>The general shareholders' meeting may resolve to amend the articles of association with the special quorums and majorities set out in respect of the Restricted Matters. A reasoned report must be issued by the board of directors or by the proposing party, as applicable.</p>		<p>The general meeting may resolve to amend the articles of association at the proposal of the board of directors.</p> <p>Please refer to "<i>Majorities for the adoption of resolutions</i>" for the requirements for such resolutions.</p>

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Mergers and demergers		
<p>The general shareholders' meeting may resolve on a merger or a demerger of Ferrovia in accordance with the special quorums and majorities set out in respect of the Restricted Matters.</p>		<p>The general meeting may resolve on a merger or a demerger of FISE at the proposal of the board of directors.</p>
Shareholders conflicts of interest		
<p>A shareholder may not exercise the right to vote inherent in their shares when the subject of the vote is a resolution that, <i>inter alia</i>, releases them from an obligation or grants them a right, provides them any type of financial assistance, including the provision of any guarantees, or (in the case the shareholder is also a director) waives any of their obligations arising from the duty of loyalty.</p> <p>The shares of a shareholder affected by a conflict of interest as specified in the preceding paragraph must be deducted from share capital when calculating the majority of votes required in each case.</p>		<p>No similar concept is applicable under Dutch law. Shareholders are free to vote.</p>
<p>In any other instance where a shareholder is in a conflict of interest, the shareholder will be allowed to vote. However, if such vote has been decisive and the relevant resolution is challenged, the company (or, if applicable, the conflicted shareholder) will be allocated the burden of proving that the resolution was in the company's best interest.</p>		<p>No similar concept is applicable under Dutch law.</p>
Conduct of the General shareholders' meeting		
<p>The general shareholders' meeting shall be chaired by the chairman of the board of directors; if the chairman is absent or unable to attend, the vice-chairman (if appointed) will hold this position. In the event of several vice-chairmen, they will hold this position according to their rank (first, second, etc.). In the absence of all of the aforementioned, the general shareholders' meeting will be chaired by the director so appointed by the attendees.</p>		<p>General meetings are chaired by:</p> <ul style="list-style-type: none"> (i) the chairman of the board of directors; (ii) if the chairman of the board of directors is not present or not available, the highest ranked vice-chairman present and available; (iii) if neither the chairman or any vice-chairman of the board of directors is present and available, the lead director;

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<p>The chairman shall be assisted by the secretary to the meeting, being the secretary to the board of directors; if absent, the chairman will be assisted by the vice-secretary of the board of directors. In the absence of all the aforementioned, the secretary of the meeting will be the person so appointed by the attendees at the proposal of the chairman.</p>		<p>(iv) if neither the chairman of the board of directors, any vice-chairman of the board of directors or the lead director is present and available, a director designated by the directors present at the general meeting; or</p> <p>(v) if there are no directors present and available at the general meeting, a person designated by the general meeting.</p>
Presence of a notary		
<p>The board of directors may request the presence of a notary public to draft the minutes of the general shareholders' meeting.</p> <p>If the general shareholders' meeting is held exclusively through remote means, the notarial drafting of the minutes is mandatory.</p>		<p>The chairperson of the general meeting may admit third parties to the general meeting, including civil-law notaries.</p> <p>There is no obligation to have a civil-law notary draft the minutes of the general meeting.</p>
Dissolution and liquidation		
<p>The general shareholders' meeting of Ferrovial may resolve to dissolve the company, provided the resolution is passed complying with qualified quorum and majorities as provided for in respect of Restricted Matters. Ferrovial may also be dissolved for causes established in the law or in the articles of association, as long as these causes are duly verified by the general shareholders' meeting or in a court ruling. Ferrovial's articles of association do not establish any specific causes of dissolution.</p> <p>If Ferrovial is dissolved and liquidated, whatever remains of FISE's shareholders equity after all debts have been satisfied shall be transferred to the shareholders in proportion to the nominal value of their Ferrovial Shares.</p>		<p>The general meeting may resolve to dissolve FISE at the proposal of the board of directors.</p> <p>If FISE is dissolved and liquidated, whatever remains of FISE's shareholders equity after all debts have been satisfied shall be transferred to the shareholders in proportion to the nominal value of their FISE Shares.</p>
Information rights		
<p>From the date of publication of the call to convene the general shareholders' meeting until the 5th day before the date of the general shareholders' meeting, any shareholder may request in writing from the directors any information or clarification they deem necessary regarding: (i) the items on the agenda; (ii) the information made available to the public that Ferrovial has submitted to the CNMV since the</p>		<p>The board of directors should provide the general meeting with all information that the general meeting requires, unless this would be contrary to an overriding interest of FISE. If the board of directors invokes such an overriding interest, it must give reasons for not providing the information.</p>

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<p>preceding general shareholders' meeting; and (iii) the auditor's report. Directors must provide the requested information in writing before the day of the general shareholders' meeting and also publish it on the corporate website.</p> <p>During the meeting, shareholders may also verbally request any information or clarification concerning items (ii) and (iii) above. If providing the requested information during the meeting it is not feasible, the directors must provide it in writing within seven days of the meeting. Certain limitations may apply to the provision of such information.</p>		
<p>Exceptionally, directors may refuse to provide the requested information if it is deemed unnecessary to protect shareholder's rights, if there are objective reasons to consider that the information could be used for purposes alien to the company's purpose, if providing the requested information would harm the company or its affiliates, if the information request does not refer to any of the items (i) to (iii) above, or when so required by law or a court ruling.</p> <p>The requested information may however not be withheld when the request is supported by shareholders representing at least 25% of the share capital.</p>		<p>No similar concept is applicable under Dutch law. Please refer to the above on "<i>Information rights</i>".</p>
<p>Where, before a specific request is made, the requested information is available in a clear, explicit and direct manner on the corporate website in a Q&A format, the board of directors may refer to the information so available.</p>		<p>No similar concept is applicable under Dutch law. Please refer to the above on "<i>Information rights</i>".</p>
SHAREHOLDERS' RIGHTS		
Profit reservation, dividends and other distributions		
<p>The board of directors shall, within the three months following the end of the financial year, draft a proposal for the allocation of results and prepare the annual accounts and the management report.</p> <p>The general shareholders' meeting will resolve on the proposal for the allocation of results after resolving on the approval of the annual accounts. The result may be</p>		<p>The board of directors may decide that the profits will fully or partially be appropriated to increase or form reserves.</p> <p>The profits remaining thereafter may be distributed as a dividend pursuant to a resolution of the general meeting.</p>

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allocated, in whole or in part, to increasing or forming reserves, distributing dividends to shareholders or a combination of both.		
Dividends shall only be paid against profits or unrestricted reserves where the applicable statutory requirements (i.e., that legal reserves are covered and that the net equity (<i>patrimonio neto</i>) is not, and will not as a result of the distribution become, lower than the share capital) and those provided in the articles of association are met.		Distributions can only be made to the extent FISE has sufficient distributable reserves as determined in accordance with applicable law.
If the general shareholders' meeting resolves to pay out dividends, it shall also determine the amount, payment date and method of payment. It might also delegate to the board of directors the power to further specify the terms of the distribution.		Distributions are payable on the day as determined by the board of directors.
The general shareholders' meeting may agree to pay out dividends in kind, in whole or in part, provided the goods or securities distributed are homogeneous, admitted to trading on an official exchange or otherwise subject to appropriate arrangements to facilitate their liquidation within a year, and are not distributed for an less than their book value.		<p>The corporate body resolving on a distribution decides whether such distribution is made in cash, in kind or in FISE Shares or a combination thereof.</p> <p>The general meeting may only resolve to make a distribution in kind or in the form of FISE Shares at the proposal of the board of directors.</p>
The general shareholders' meeting and the board of directors may resolve to pay out interim dividends provided that: (i) there is sufficient liquidity to pay the interim dividend (and for the following 12 months); (ii) the amount to be distributed does not exceed amount equal to the profits booked since the end of the previous financial year less (a) any carry-forward losses, any amounts earmarked for the legal reserve and the amount of tax estimated to accrue on the aforesaid profits; and (ii) the net equity (<i>patrimonio neto</i>) is not, and would not become as a result of the distribution, lower than the share capital.		The board of directors may decide to make interim distributions from profits or reserves.
Ferrovial shareholders have no right to receive a minimum dividend.		FISE shareholders have no right to receive a minimum dividend.
The right to a dividend lapses and reverts to the company if it is not claimed within five years after becoming payable.		The right to a distribution lapses and reverts to the company if it is not claimed within five years and one day after becoming payable.

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Inquiry proceedings		
<p>The concept of inquiry procedures is alien to Spanish law.</p>		<p>Inquiry proceedings are a special legal procedure to take interim measures and investigate the policies and affairs within a company. The inquiry proceedings cover any misconduct of the company's corporate bodies as well as of the persons acting as part of these corporate bodies.</p> <p>Pursuant to Dutch law and based on FISE's expected issued and outstanding share capital immediately following the Merger Effective Time, holders of FISE Shares who, solely or jointly, represent at least 10% of FISE's issued and outstanding share capital or shares with an aggregate nominal value of at least EUR 225,000 may initiate inquiry proceedings at the Dutch Enterprise Chamber.</p>
Shareholder suits		
<p>The general shareholders' meeting may resolve to bring a corporate liability action against any of the directors at the request of any shareholder. This resolution may be passed by simple majority even if it is not on the agenda.</p> <p>Corporate liability actions may also be brought by: (i) shareholders owning, solely or jointly, 3% or more of the share capital, when the board of directors does not call the general shareholders' meeting for this purpose or Ferrovial fails to bring such action as previously approved at the general shareholders' meeting or the general shareholders' meeting has resolved not to bring action; (ii) absent the foregoing, Ferrovial's creditors, insofar as Ferrovial's assets are insufficient to cover their claims.</p> <p>Individual shareholders do not have the right to bring action against a third party on behalf of Ferrovial in the event such third party is liable to Ferrovial.</p>		<p>In the event that a third party or director is liable to FISE, only FISE itself can bring civil action against that party. Pursuant to Dutch law, individual shareholders do not have the right to bring such action on behalf of FISE. Only in the event that the cause for the liability of a third party or director to FISE also constitutes a tortious act directly against a shareholder, that shareholder may have an individual right of action against such third party in its own name.</p>
<p>Shareholders may bring action themselves, without the need to convene a general shareholders' meeting that upholds the decision, when the action is based on a breach of the loyalty duty.</p>		<p>No similar concept is applicable under Dutch law. Please refer to the above on "<i>Shareholder suits</i>".</p>

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The foregoing is without prejudice to any actions for compensation which may be available to shareholders and third parties for acts of directors which directly harm the interests of such shareholders or third parties.		No similar concept is applicable under Dutch law. Please refer to the above on " <i>Shareholder suits</i> ".
Actions for liability against directors, whether corporate or individual, shall expire four years from the day on which they could have first been exercised.		Actions for liability against third parties or directors expire within five years, subject to and with due observance of Dutch law.
Challenging corporate resolutions		
Shareholders holding 3% or more of the share capital (either individually or by pooling voting shares) may challenge corporate resolutions that are contrary to applicable law, the articles of association, the regulations of the general shareholders' meeting, or harm the company's best interest for the benefit of one or more shareholders or third parties. The applicable legal term is three months.		Subject to and with due observance of Dutch law, any shareholder may challenge corporate resolutions that are contrary to applicable law or such other grounds as provided for in Dutch law. The right to challenge a resolution may be subject to specific statutes of limitation under Dutch law.
Corporate resolutions contrary to public policy (<i>orden público</i>) may be challenged by any shareholder at any time.		No similar concept is applicable under Dutch law. Please refer to the above on " <i>Challenging corporate resolutions</i> ".
Damage to company's interest is also caused when the resolution, without causing damage to corporate assets, is imposed in an unfair manner by the majority. A resolution is deemed to have been unfairly imposed where, rather than being driven by the company's reasonable needs, it is adopted by the majority in the majority's own interest and to the detriment of the other shareholders, without such detriment being justified.		Shareholders and all other persons involved in FISE must conduct themselves in relation to each other in accordance with the standards of reasonableness and fairness. A rule which binds them by virtue of the law, custom, the articles of association, regulations or a resolution shall be inapplicable to the extent that, in the circumstances, it is unacceptable according to standards of reasonableness and fairness.
Pursuant to Ferrovial's articles of association, Ferrovial's shareholders expressly submit to the courts of Ferrovial's registered office.		No similar concept is applicable under Dutch law. The competent courts are determined in accordance with Dutch law.
Disclosure of significant holdings		
Any person who, either directly or indirectly through a controlled entity, acquires or transfers shares granting voting rights of a listed company is required to disclose to the relevant company as well as to the CNMV - by means of a standard form - the		Any person who, either directly or indirectly through a controlled entity, acquires or transfers an actual or potential interest in the capital or voting rights of a listed company is required to disclose to the AFM – through the AFM's online portal - the fact that the

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<p>fact that the percentage of voting rights that it holds reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% and 90% of the total voting rights in the company.</p> <p>The thresholds that trigger the reporting obligation are reduced to 1% and its successive multiples for persons resident in a jurisdiction defined by Spanish law as a “tax haven” or in a non cooperative jurisdiction with the Spanish supervisory authorities.</p>		<p>percentage of capital or voting rights that it holds reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of the total capital or voting rights in the company.</p>
<p>Reporting obligations also apply with respect to members of the board of directors. They are obliged to disclose their shareholding at any time such shareholding changes (to the extent a specific monetary threshold is exceeded).</p>		<p>Members of the board of directors must notify to the AFM (i) without delay, each change in the number of FISE shares or options and of each change in the number of votes he is entitled to cast in respect of FISE's issued share capital, and (ii) within three business days, any transactions conducted for their own account relating to the FISE Shares or debt instruments of FISE or to derivatives or other financial instruments linked thereto.</p>
Buy-out Procedures		
<p>No specific, statutory corporate squeeze-out mechanism is available in Spanish law (other than following a public tender offer, see below).</p>		<p>A shareholder who provides at least 95% of the issued share capital of FISE, for its own account, alone or together with group companies, may institute squeeze-out proceedings against minority shareholders jointly for the transfer of their shares to such shareholder. The proceedings are held before the Dutch Enterprise Chamber.</p> <p>The Dutch Enterprise Chamber will determine the price to be paid for the FISE Shares held by minority shareholders.</p>
<p>Following a public tender offer, the offeror that has come to hold at least 90% of the voting capital of the offeree company as a consequence of a takeover bid accepted by 90% or more of the addressees thereof will have the right to require the minority shareholders and the holders of the other securities that did not accept the offer to sell to the offeror all of their shares and other securities.</p>		<p>The offeror under a public takeover offer is also entitled to start squeeze-out proceedings if, following the public takeover offer, the offeror provides at least 95% of the outstanding share capital of the company and represents at least 95% of the voting rights of the company. The claim of a takeover squeeze-out needs to be filed with the Dutch Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Dutch Enterprise Chamber will determine the price to be paid for the shares. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were acquired by way of a voluntary offer.</p>

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<p>Following a public offer, under the same conditions, minority shareholders have the right to force the offeror to purchase their securities .</p>		<p>Minority shareholders that have not previously tendered their shares under an offer also have the right to institute proceedings with the Dutch Enterprise Chamber for the transfer of their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital of the company and represents at least 95% of the voting rights of the company. With regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Dutch Enterprise Chamber within three months following the expiry of the acceptance period of the offer.</p>
Appraisal or dissenters' rights		
<p>In certain circumstances (cross-border mergers, change or substantial amendment of the corporate purpose, conversion or cross-border transfer of the registered office), Spanish law gives dissenting shareholders (and, in specific instances, absent shareholders) the right to withdraw from the company. There are no specific causes for withdrawal in Ferrovial's articles of association.</p> <p>If this right is exercised, Ferrovial is obliged to purchase the relevant shares at the average market price of the shares during the preceding quarter in accordance with the procedures established under Spanish law.</p>		<p>Subject to certain exceptions, Dutch law does not recognise the concept of appraisal or dissenters' rights. However, Dutch law does provide for squeeze-out procedures as described above. Also, Dutch law provides for cash exit rights in certain situations for dissenting shareholders of a company organised under Dutch law entering into certain types of mergers, demergers and conversions. In those situations, which are set out in Dutch law, a dissenting shareholder may file a claim with the Dutch company for compensation. The shares of such shareholder that are subject to such claim will cease to exist as of the moment of entry into effect of the merger or conversion.</p>
OTHER		
Regular disclosure obligations		
<p>Apart from the disclosure obligations referred to below (under sections "<i>Financial reporting and independent auditor</i>" and "<i>Non-financial information</i>") Ferrovial has, <i>inter alia</i>, the following disclosure obligations, which must be complied with on a regular basis, pursuant to Spanish law:</p> <p>(i) Annual report on corporate governance: Ferrovial shall state the level of compliance with the recommendations set out in the Spanish Code on Good Governance for Listed Companies (<i>Código de buen gobierno de las sociedades cotizadas</i>) on a comply-or-explain basis.</p>		<p>Apart from the disclosure obligations referred to below (under sections "<i>Financial reporting and independent auditor</i>" and "<i>Non-financial information</i>") and "<i>Inside information</i>" FISE has, <i>inter alia</i>, the following disclosure obligations, which must be complied with on a regular basis, pursuant to Dutch law and the Dutch Corporate Governance Code:</p> <p>(i) Annual report on corporate governance: FISE will have to report on compliance with the Dutch Corporate Governance Code in its annual report on a comply-or-explain basis.</p>

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<p>(ii) Annual report on directors' remuneration: which shall include (a) complete, clear and understandable information about the directors' remuneration policy applicable to the current financial year; and (b) an overview of the implementation of the remuneration policy in the preceding financial year, as well as an itemised breakdown of the individual remuneration awarded to each director in the same period.</p> <p>(iii) Corporate website, with the contents established by the law.</p>		<p>(ii) Annual remuneration report: which shall be clear and understandable and provide a comprehensive overview of the total remunerations, awarded or due during the financial year at hand to individual directors. The report must be published on FISE's website after the annual general meeting.</p>
<p>Both the annual report on corporate governance and the annual report on directors' remuneration shall be published simultaneously on the corporate website and on the CNMV's website as "other relevant information".</p>		<p>Both the annual report on corporate governance and the annual remuneration report on directors' remuneration must be published annually.</p>
<p>The annual report on directors' remuneration shall be submitted for advisory vote to the general shareholders' meeting as a separate item on the agenda.</p>		<p>The annual remuneration report on directors' remuneration must be submitted for an advisory vote to the general meeting as a separate item on the agenda.</p>
Financial reporting and independent auditor		
<p>Ferrovial's financial year is the calendar year.</p>		<p>FISE's financial year is the calendar year.</p>
<p>As set out in section "<i>Profit reservation, dividends and other distributions</i>" above, each year, within three months after the end of the financial year, the board of directors shall prepare the annual accounts, the management report and the proposal on the allocation of results.</p>		<p>Each year, within four months after the end of the financial year, FISE must publish FISE's annual report, which comprises the annual accounts prepared by the board of directors and consisting of a balance sheet, a profit and loss account and explanatory notes, the management report and the other information, accompanied by an auditor's report and alongside any other information of the stock exchange on which FISE Shares are listed.</p>
<p>The annual accounts must be audited by the statutory auditor, who is appointed by the general shareholders' meeting before the end of the financial year to be audited.</p>		<p>The annual accounts must be audited by the statutory auditor, who is appointed by the general meeting.</p>
<p>Ferrovial's annual accounts are prepared in accordance with the International Financial Reporting Standards as adopted by the International Accounting Standards Board and approved by the European Commission.</p>		<p>The annual accounts of FISE will be prepared in accordance with the International Financial Reporting Standards as adopted by the International Accounting Standards Board and approved by the European Commission.</p>

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<p>Each year, within three months after the first six months of the financial year have lapsed, Ferrovial shall publish its semi-annual report, comprising the semi-annual accounts, the semi-annual management report and declarations of responsibility for their content.</p> <p>The semi-annual accounts of Ferrovial are prepared in accordance with the International Financial Reporting Standards as adopted by the International Accounting Standards Board and approved by the European Commission.</p>		<p>Each year, within three months after the first six months of the financial year have lapsed, FISE must publish its semi-annual report, comprising the semi-annual accounts prepared by the board of directors and the semi-annual management report, accompanied by any other information of the stock exchange on which FISE Shares are listed.</p> <p>The semi-annual accounts of FISE are prepared in accordance with the International Financial Reporting Standards as adopted by the International Accounting Standards Board and approved by the European Commission.</p>
Non-financial information		
<p>Ferrovial is required to approve an annual non-financial information report, together with the management report, which shall be approved on a separate vote by the general shareholders' meeting.</p>		<p>FISE is required to annually report on non-financial information, to be included in the management report. The management report is not subject to a vote by the general meeting.</p>
Insider information		
<p>Ferrovial is governed by the Market Abuse Regulation and the applicable Spanish securities market legislation, with the CNMV as regulator. The Market Abuse Regulation requires, amongst others, that FISE makes public without delay any inside information, unless all conditions for delay are met.</p>		<p>FISE will be governed by the Market Abuse Regulation and the Financial Markets Supervision Act, with the Dutch AFM as regulator. The Market Abuse Regulation requires, amongst others, that FISE makes public without delay any inside information, unless all conditions for delay are met.</p>
Mandatory offer provisions		
<p>Pursuant to Spanish law, a mandatory tender offer is generally required when a person gains control of a company listed on one of the Spanish stock exchanges.</p> <p>Control of a target company by a person or by a group of persons acting in concert is deemed to exist where:</p> <ul style="list-style-type: none"> (i) such person or concerted group of persons holds at least 30% of its voting rights, directly or indirectly; or (ii) such person or concerted group of persons holds a stake of less than 30% of its voting rights but appoints (within the twenty-four months following the last acquisition of shares) a number of directors that, taken 		<p>Under Dutch law, any person who, acting alone or in concert with others, directly or indirectly, acquires 30% or more of FISE's voting rights will, subject to certain exemptions, be required to make a public offer for all outstanding FISE Shares.</p>

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together with any already appointed director, amounts to a majority of the target company's board of directors.		
There exist certain exceptions to the above that may result in an exemption from launching a mandatory offer. These exceptions are laid down in, <i>inter alia</i> , Title III, Chapter IX of the Securities Market Act, as enacted by Royal Legislative Decree 4/2015, of 23 October, and Royal Decree 1066/2007, of 27 July, on tender offers for securities.		There exist certain exceptions to the above that may result in the launch of a mandatory offer not being required. These exceptions are laid down in, <i>inter alia</i> , section 5:71 of the Dutch Financial Supervision Act.
Anti-takeover provisions		
<p>Under Spanish law, in the event that a company which has protective measures in place in its articles of association or within shareholders' agreements is the target company of a mandatory tender offer, shareholders acting at the general shareholders' meeting may approve the neutralisation of such measures, in which case any shareholders whose rights have been neutralised or otherwise adversely affected shall be entitled to receive compensation at the target company's expense.</p> <p>Once a mandatory tender offer is announced, the "passivity rule" is triggered and the implementation by the board of directors or the senior management of the target company and its subsidiaries of any action that could prevent the offer from being successful would require the approval of the shareholders of the target company if the decision may prevent the success of the mandatory tender offer.</p>		<p>Certain provisions of the articles of association may make it more difficult for a third-party to acquire control of FISE, including the provision that important resolutions of the general meeting, including appointment of directors and amendment of the articles of association, may be resolved upon by the general meeting only pursuant to proposal thereto of the board of directors.</p>

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