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ANNUAL CORPORATE GOVERNANCE REPORT

LISTED LIMITED COMPANIES

ISSUER'S PARTICULARS

YEAR ENDED: 31/12/2012

COMPANY TAX ID NO. (CIF): A-081939209

Corporate name: FERROVIAL, S.A.

**ANNUAL CORPORATE GOVERNANCE REPORT FOR
LISTED LIMITED COMPANIES**

For a better understanding of this model report and how to fill it out, please read the instructions provided at the end.

A - OWNERSHIP STRUCTURE

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

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
03/12/2009	146,702,051,00	733,510,255	733,510,255

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

NO

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

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
SOUTHEASTERN ASSET MANAGEMENT INC	0	35,244,909	4.805

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

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

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
RAFAEL DEL PINO Y CALVO-SOTELO	58,902	9,132,708	1.253
SANTIAGO BERGARECHE BUSQUET	2,458,721	0	0.335
JOAQUÍN AYUSO GARCÍA	97,431	3,647	0.014
IÑIGO MEIRÁS AMUSCO	17,145	0	0.002
GABRIELE BURGIO	40,961	0	0.006
JAIME CARVAJAL URQUIJO	68,445	1,560	0.010
JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	166,609	0	0.023
JUAN ARENA DE LA MORA	85,641	0	0.012
KARLOVY, S.L.	11,594	0	0.002
MARÍA DEL PINO Y CALVO-SOTELO	17,693	0	0.002
PORTMAN BAELA S.L.	319,912,186	0	43.614
SANTIAGO FERNÁNDEZ VALBUENA	13,685	0	0.002

Name or corporate name of indirect shareholder	Through: name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
RAFAEL DEL PINO Y CALVO-SOTELO	RIJN CAPITAL BV	9,132,708	1.245
JOAQUÍN AYUSO GARCÍA	MONTSERRAT DE PAUL CRESPO	3,647	0.000
KARLOVY, S.L.	PORTMAN BAELA S.L.	319,912,186	43.614
JAIME CARVAJAL URQUIJO	ISABEL HOYOS MARTÍNEZ DE IRUJO	1,560	0.000

% of total voting rights held by the Board of Directors	45,274
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Complete the following tables on share options held by directors.

Name or corporate name of the director	Number of direct share options	Number of indirect share options	Equivalent number of shares	% of total voting rights
RAFAEL DEL PINO Y CALVO-SOTELO	1,966,000	0	1,966,000	0.268
JOAQUÍN AYUSO GARCÍA	1,966,000	0	1,966,000	0.268
IÑIGO MEIRÁS AMUSCO	1,060,000	0	1,060,000	0.145

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

Type of relationship:

Corporate

Brief description:

As declared on the "Voting rights notification" form lodged with the CNMV and with the Company on 22 May 2012, the family group comprising María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo has control, according to the meaning in article 4 of the Securities Market Act, through Karlovy, of a majority of the capital of Portman. Portman owns 43.61386% of the share capital of Ferrovial. Karlovy, in turn, has a direct shareholding of 0.00158% in Ferrovial. The family group comprising the aforementioned persons has control, through Karlovy and Portman, of 43,615% of the share capital of Ferrovial. According to this communication, the members of the family group – that is, María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo, in addition to Karlovy, S.L. and Portman Baela, S.L. held a total sum of 329,328,707 direct and indirect shares representing 44.898% of the capital of Ferrovial.

Name or corporate name of related party
PORTMAN BAELA S.L.

Type of relationship:

Corporate

Brief description:

See above.

Name or corporate name of related party
KARLOVY, S.L.
STAKEHOLDERS OF PORTMAN BAELA, S.L. AND KARLOVY, S.L.

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

Type of relationship:

Corporate

Brief description:

Director of Ferrovial, S.A.

Name or corporate name of related party
MARÍA DEL PINO Y CALVO-SOTELO

Type of relationship:

Corporate

Brief description:

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

Name or corporate name of related party
RAFAEL DEL PINO Y CALVO-SOTELO

Type of relationship:

Corporate

Brief description:

Director of Ferrovial, S.A.

Name or corporate name of related party
KARLOVY, S.L.
PORTMAN BAELA S.L.

A.6 Indicate whether any shareholders' agreements have been notified to the company pursuant to article 112 of the Securities' Market Act (Ley del Mercado de Valores). Provide a brief description and list the shareholders bound by the agreement, as applicable.

YES

% of affected share capital:

44.607

Brief description of the agreement:

On 28 December 2009, Portman Baela, S.L. which held a 44.607% interest in Ferrovial, S.A. at that date, notified the Company of certain agreements entered into by stakeholders of the former company. Under these agreements, ownership of the capital and voting rights of all stakeholders of Portman Baela, S.L. that are bodies corporate, will at all times devolve to Rafael del Pino y Moreno and/or his direct descendants. The representatives of the said corporate stakeholders hereby agree on behalf of the said stakeholders that the ownership of the capital and voting rights of each of them shall devolve to Rafael del Pino y Moreno and/or his direct descendants

Parties to the shareholders' agreement
KARLOVY, S.L.

% of affected share capital:

44.607

Brief description:

See above

Parties to the shareholders' agreement
STAKEHOLDERS OF PORTMAN BAELA, S.L. AND KARLOVY, S.L.

Indicate whether the company is aware of the existence of any concerted actions among its shareholders: Give a

brief description as applicable:

YES

% of affected share capital:

44.898

Brief description:

As declared on the "Voting rights notification" form lodged with the CNMV and with the Company on 22 May 2012, the family group comprising María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo has control, according to the meaning in article 4 of the Securities Market Act, through Karlovy, of a majority of the capital of Portman. Portman owns 43.61386% of the share capital of Ferrovial. Karlovy, in turn, has a direct shareholding of 0.00158% in Ferrovial. The family group comprising the aforementioned persons has control, through Karlovy and Portman, of 43.615% of the share capital of Ferrovial. According to this communication, the members of the family group – that is, María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo, in addition to Karlovy, S.L. and Portman Baela, S.L. held a total sum of 329,328,707 direct and indirect shares representing 44.898% of the capital of Ferrovial.

Participants in concerted action
PORTMAN BAELA S.L.

% of affected share capital:

44.808

Brief description:

See above

Participants in concerted action
STAKEHOLDERS OF PORTMAN BAELA, S.L. AND KARLOVY, S.L.
KARLOVY, S.L.

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

No amendments to or termination of any of the agreements described above have been notified to the Company.

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

YES

Name or corporate name
KARLOVY, S.L.

Remarks
See Section G)

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

At year end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
0	0	0.000

(*) Through:

Total	0
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Give details of any significant changes during the year, in accordance with Royal Decree 1362/2007.

Date notified	Total number of direct shares acquired	Total number of indirect shares acquired	% of total share capital
12/07/2012	2,387,000	420,304	0.383

Gain/(loss) on treasury shares during the year (€ thousand)	21
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A.9 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting authorising the Board of Directors to purchase and/or transfer treasury shares.

RESOLUTION OF GENERAL MEETING OF THE COMPANY OF 22 OCTOBER 2009

To authorise the Board of Directors to acquire the Company's own shares on the secondary market, either directly or through companies controlled by the Company, subject always to the regulations applicable to such acquisitions and to the following limitations and requirements:

(a) Modes of acquisition: by purchase or any other "inter vivos" transfer on a payment basis.

(b) Maximum number of shares that can be acquired: shares representing up to ten per cent (10%) of the share capital of the Company, free of all charges and encumbrances and fully paid up, provided that they are not pledged as security for the performance of any obligation and that the nominal value of the shares acquired, in addition to those already in the possession of the Company and any companies controlled by it, does not exceed 10% of the share capital of the Company.

(c) Minimum and maximum acquisition price: the minimum acquisition price of shares shall be 75% of the quoted market price thereof; the maximum acquisition price shall be 120% of the quoted market price on the acquisition date.

(d) Maximum trading volume: the maximum daily trading volume for acquisitions of the Company's own shares shall not exceed 25% of the average volume of the Company's shares traded in the last ten trading sessions.

(e) Duration of authorisation: five (5) years from the date of this Resolution.

In performing these transactions, the Company shall adhere to the rules and regulations set out in the Company's internal Code of Conduct.

The Board of Directors is hereby authorised to use all or part of any shares so acquired for the purpose of implementing any remuneration package the aim or effect of which is the delivery of shares or share options in accordance with paragraph 3 of article 75.1 of the Spanish Companies Act [Ley de Sociedades Anónimas].

This authority to acquire shares supersedes the authority granted at the General Meeting of 28 April 2009, and any portion remaining to be allotted under that authority is hereby cancelled.

This authority is subject to the notarial instrument of the merger of the Company and Grupo Ferrovial, S.A. being registered with the Madrid Companies Registry and shall be effective as from the time of such registration.

A.10 Indicate, as applicable, any restrictions imposed by Law or the company's bylaws on exercising voting rights, as well as any legal restrictions on the acquisition or transfer of ownership interests in the share capital. Indicate whether there are any legal restrictions on exercising voting rights:

NO

Statutory cap on percentage of voting rights exercisable by a single shareholder	0
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Indicate whether there are any restrictions included in the bylaws on exercising voting rights.

NO

Bylaw-mandated cap on percentage of voting rights exercisable by a single shareholder	0
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Indicate if there are any legal restrictions on the acquisition or transfer of share capital:

NO

A.11 Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

NO

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

B - COMPANY MANAGEMENT STRUCTURE

B.1 Board of Directors

B.1.1. List the maximum and minimum number of directors included in the bylaws.

Maximum number of directors	15
Minimum number of directors	5

B.1.2 Complete the following table with board members' details.

Name or corporate name of the director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
RAFAEL DEL PINO Y CALVO-SOTELO	--	CHAIRMAN AND CHIEF EXECUTIVE OFFICER	15/07/1998	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
SANTIAGO BERGARECHE BUSQUET	--	FIRST DEPUTY CHAIRMAN	03/12/2009	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
JOAQUÍN AYUSO GARCÍA	--	SECOND DEPUTY CHAIRMAN	04/03/2002	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
IÑIGO MEIRÁS AMUSCO	--	CHIEF EXECUTIVE OFFICER	03/12/2009	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
GABRIELE BURGIO	--	DIRECTOR	03/12/2009	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
JAIME CARVAJAL URQUIJO	--	DIRECTOR	03/12/2009	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	--	DIRECTOR	27/10/2004	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
JUAN ARENA DE LA MORA	--	DIRECTOR	03/12/2009	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
KARLOVY, S.L.	JOAQUÍN DEL PINO Y CALVO-SOTELO	DIRECTOR	25/03/2010	25/03/2010	CO-OPTATION
MARÍA DEL PINO Y CALVO-SOTELO	--	DIRECTOR	03/12/2009	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
PORTMAN BAELA S.L.	LEOPOLDO DEL PINO Y CALVO SOTELO	DIRECTOR	15/12/2009	15/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING
SANTIAGO FERNÁNDEZ VALBUENA	--	DIRECTOR	03/12/2009	03/12/2009	VOTE AT GENERAL SHAREHOLDERS' MEETING

Total number of directors	12
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Indicate any board members who left during this period:

B.1.3 Complete the following tables on the board members and their respective categories:

EXECUTIVE DIRECTORS

Name or corporate name of director	Committee proposing appointment	Post held in the company
RAFAEL DEL PINO Y CALVO-SOTELO	NOMINATION AND REMUNERATION COMMITTEE	Chairman and Chief Executive Officer
IÑIGO MEIRÁS AMUSCO	NOMINATION AND REMUNERATION COMMITTEE	Chief Executive Officer

Total number of executive directors	2
% of the board	16.667

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Committee proposing appointment	Name or corporate name of significant shareholder represented or proposing appointment
KARLOVY, S.L.	NOMINATION AND REMUNERATION COMMITTEE	PORTMAN BAELA S.L.
MARÍA DEL PINO Y CALVO-SOTELO	NOMINATION AND REMUNERATION COMMITTEE	PORTMAN BAELA S.L.
PORTMAN BAELA S.L.	NOMINATION AND REMUNERATION COMMITTEE	PORTMAN BAELA S.L.

Total number of proprietary directors	3
% of the board	25.000

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director
SANTIAGO BERGARECHE BUSQUET

Profile

Graduate in Economics and Law from Deusto University.

A member of the Board of Directors of Ferrovial since 1999. Joined Ferrovial in 1995 as Chairman of Agroman. Served as Chief Executive Officer of Ferrovial from February 1999 to January 2002.

Joint Chairman of Cepsa, Non-Executive Chairman of Dinamia Capital Privado and Director of Vocento, Maxam and the Deusto Business School.

Formerly General Manager of Banco Bilbao Vizcaya Argentaria (BBVA) and Chairman of Metrovacesa.

Name or corporate name of director

Profile GABRIELE BURGIO

Graduate in Law, holding an MBA from INSEAD.

A member of the Board of Directors of Ferrovial since 2002.

Chairman and Chief Executive Officer of Alpitour, S.p.A. and board member of Banque SYZ Co.

Formerly the Executive Chairman of NH Hoteles, from 1999 to 2011. Mr Burgio has also been Chief Executive Officer and Chairman of NH Italia S.r.l. and Chief Executive Officer of Cofir.

Name or corporate name of director

Profile JAIME CARVAJAL URQUIJO

Graduate in Law (Madrid University), holding an MA in Economics from Cambridge University.

A member of the Board of Directors of Ferrovial since 1999.

Special Partner of Advent International, Chairman of ABB (Spain), member of the boards of Aviva, Solvay Ibérica and Maxam Holding.

Former Chairman of Ford España and Ericsson España, and former board member of Telefónica, Repsol and Unión Fenosa.

Name or corporate name of director

Profile JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS

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

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

Chairman and Chief Executive Officer of the MAXAM Group.

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

Name or corporate name of director

Profile JUAN ARENA DE LA MORA

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

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

Member of the boards of directors of Dinamia, Laboratorios Almirall, Everis, Meliá Hotels International, Prisa and Panda. President of Fundación SERES, Chairman of the Advisory Boards of Consulnor and Marsh, and the Professorial Council of ESADE; member of the Advisory Board of Spencer Stuart and the European Advisory Board of Harvard Business School and member of the board of the Deusto Business School; Senior Lecturer at Harvard Business School.

He is the former Chairman and Chief Executive Officer of Bankinter and a board member of TPI.

Name or corporate name of director

SANTIAGO FERNÁNDEZ VALBUENA

Profile

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

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

Chairman of Telefónica Latin America and, since 2012, member of the board of Telefónica S.A.

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

Total number of independent directors	6
% of the board	50.000

OTHER EXTERNAL DIRECTORS

Name or corporate name of director	Committee proposing appointment
JOAQUIN AYUSO GARCIA	--

Total number of other external directors	1
% of the board	8.333

List the reasons why these cannot be considered proprietary or independent directors, and detail their relationships with the company, its executives or shareholders.

Name or corporate name of the director

JOAQUÍN AYUSO GARCÍA

Company, executive or shareholder with whom the relationship is maintained

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Reasons

The Unified Good Governance Code lays down that persons that have been employees or executive directors of group companies may under no circumstances be deemed independent directors, unless three or five years, respectively, have elapsed since the employment relationship ended.

Mr. Ayuso lost his status as Executive Director on 29 November 2012.

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

Name or corporate name of the director	Date of change	Previous category	Current category
JAIME CARVAJAL URQUIJO	27/05/2012	OTHER EXTERNAL	INDEPENDENT
JOAQUÍN AYUSO GARCÍA	29/11/2012	EXECUTIVE	OTHER EXTERNAL

B.1.4 Explain, when applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 5% of the share capital.

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

NO

B.1.5 Indicate whether any director has resigned from his/her post before their term of office has expired, whether that director has given the board his/her reasons and through which channel. If made in writing to the whole board, list below the reasons given by that director:

NO

B.1.6 Indicate what powers, if any, have been delegated to the Chief Executive Officer:

Name or corporate name

RAFAEL DEL PINO Y CALVO-SOTELO

Brief description

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

B.1.7 List the directors, if any, who hold office as directors or executives in other companies belonging to the listed company's group:

Name or corporate name	Name or corporate name of the group company	Position
JOAQUÍN AYUSO GARCÍA	AUTOPISTA ALCALÁ ODONELL, S.A.	Chairman
JOAQUÍN AYUSO GARCÍA	AUTOPISTA DEL SOL, S.A.	Chairman
JOAQUÍN AYUSO GARCÍA	AUTOPISTA MADRID LEVANTE CONCESIONARIA ESPAÑOLA, S.A.	Chairman
JOAQUÍN AYUSO GARCÍA	AUTOPISTA MADRID SUR CONCESIONARIA ESPAÑOLA, S.A.	Director
JOAQUÍN AYUSO GARCÍA	INVERSORA DE AUTOPISTAS DE LEVANTE, S.L.	Chairman
JOAQUÍN AYUSO GARCÍA	INVERSORA DE AUTOPISTAS DEL SUR, S.L.	Director
IÑIGO MEIRÁS AMUSCO	CINTRA INFRAESTRUCTURAS, S.A.	Chairman
IÑIGO MEIRÁS AMUSCO	FERROVIAL AEROPUERTOS, S.A.	Chairman
IÑIGO MEIRÁS AMUSCO	FERROVIAL AGROMÁN, S.A.	Chairman
IÑIGO MEIRÁS AMUSCO	FERROVIAL FISA, S.L.	Chairman
IÑIGO MEIRÁS AMUSCO	FERROVIAL QATAR LLC	Director
IÑIGO MEIRÁS AMUSCO	FERROVIAL SERVICIOS, S.A.	Chairman
IÑIGO MEIRÁS AMUSCO	FINECOFER, S.L.	Chairman and Chief Executive Officer

B.1.8 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company:

Name or corporate name	Name of listed company	Position
SANTIAGO BERGARECHE BUSQUET	VOCENTO, S.A.	Director
SANTIAGO BERGARECHE BUSQUET	DINAMIA CAPITAL PRIVADO, S.A., S.C.R.	Chairman
JOAQUÍN AYUSO GARCÍA	BANKIA, S.A.	Director
JUAN ARENA DE LA MORA	DINAMIA CAPITAL PRIVADO, S.A. S.C.R.	Director
JUAN ARENA DE LA MORA	MELIA HOTELS INTERNATIONAL, S.A.	Director
JUAN ARENA DE LA MORA	ALMIRALL, S.A.	Director
JUAN ARENA DE LA MORA	PRISA, S.A.	Director
SANTIAGO FERNÁNDEZ VALBUENA	TELEFÓNICA, S.A.	Director

B.1.9 Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its directors may sit.

NO

B.1.10 In relation with Recommendation 8 of the Unified Code, indicate the company's general policies and strategies that are reserved for approval by the Board of Directors in plenary session.

Investment and financing policy	YES
Design of the structure of the corporate group	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
Strategic or business plans, management targets and annual budgets	YES
Remuneration and evaluation of senior officers	YES
Risk control and management, and the periodic monitoring of internal information and control systems	YES
Dividend policy, as well as the policies and limits applying to treasury shares	YES

B.1.11. Complete the following tables on the aggregate remuneration paid to directors during the year.

a) In the reporting company:

Item	€ thousand
Fixed remuneration	3,000
Variable remuneration	4,588
Per diem allowances	585
Bylaw-mandated compensation	1,155
Share options and/or other financial instruments	764
Other	0

Total	10,092
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Other benefits	€ thousand
Advances	0
Loans	0
Funds and pension plans: Contributions	0
Funds and pension plans: Obligations	0
Life insurance premiums	13
Guarantees issued by the company in favour of directors	0

b) For company directors sitting on other governing bodies and/or holding senior management posts within group companies:

Item	€ thousand
Fixed remuneration	0
Variable remuneration	0
Per diem allowances	47
Bylaw-mandated compensation	0
Share options and/or other financial instruments	0
Other	0

Total	47
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Other benefits	€ thousand
Advances	0
Loans	0
Funds and pension plans: Contributions	0
Funds and pension plans: Obligations	0
Life insurance premiums	0
Guarantees issued by the company in favour of directors	0

c) Total remuneration by type of director:

Type of director	By company	By group
EXECUTIVE	6,642	0
EXTERNAL PROPRIETARY	381	0
EXTERNAL INDEPENDENT	859	0
OTHER EXTERNAL	2,210	0

Total	10,092	0
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d) Remuneration as percentage of profit attributable to the parent company:

Total remuneration received by directors (€ thousand)	10,139
Total remuneration received by directors/profit attributable to parent company (%)	1.4

B.1.12 List any members of senior management who are not executive directors and indicate total remuneration paid to them during the year:

Name or corporate name	Post
ALVARO ECHANIZ URCELAY	General Manager, Real Estate
JUAN FRANCISCO POLO MARTÍN	Head, Communication and Corporate Responsibility
JAIME AGUIRRE DE CARCER Y MORENO	General Manager, Human Resources
ALBERTO FERREIRO PRADO	Head, Internal Audit
FEDERICO FLÓREZ GUTIÉRREZ	General Manager, IT and Innovation
NICOLAS VILLEN JIMENEZ	General Manager, Airports (until 30 November 2012)
ERNESTO LÓPEZ MOZO	Chief Financial Officer
ENRIQUE DÍAZ- RATO REVUELTA	General Manager, Motorways
SANTIAGO ORTIZ VAAMONDE	General Secretary
SANTIAGO OLIVARES BLÁZQUEZ	General Manager, Services
ALEJANDRO DE LA JOYA RUIZ DE VELASCO	General Manager, Construction
MARÍA TERESA PULIDO MENDOZA	Head of Corporate Strategy
JORGE GIL VILLÉN	General Manager, Airports (from 30 November 2012)

Total remuneration received by senior management (€ thousand)	11,211
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B.1.13 Identify, in aggregate terms, any indemnity or “golden parachute” clauses that exist for members of the senior management (including executive directors) of the company or of its group in the event of dismissal or changes in control. Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group:

Number of beneficiaries	1
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	Board of Directors	General Shareholders' Meeting
Body authorising clauses	NO	NO

Is the General Shareholders' Meeting informed of such clauses?	NO
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B.1.14 Describe the procedures for establishing remuneration for board members and the relevant provisions in the bylaws.

Procedures for establishing board members' remuneration and relevant provisions in the bylaws

(a) Procedures for establishing Board members' remuneration (Regulations of the Board of Directors)

The Nomination and Remuneration Committee makes recommendations to the Board of Directors on the remuneration system and the annual amount to be paid to Directors. With regard to the payment of additional compensation to Directors performing executive functions, any discussion of such compensation by the Board must be preceded by a report from the Committee.

Decisions are taken by the Board of Directors and, where the matter requires higher authorisation, are submitted to the General Shareholders' Meeting for approval.

(b) Provisions of the Bylaws and regulatory requirements governing remuneration paid to the Board of Directors.

The present system of remuneration for the Board of Directors is included in Article 57 of the Bylaws:

"Article 57. Board of Directors Remuneration

Members of the Board of Directors shall receive, as consideration for their duties as such, remuneration pursuant to the Bylaws, the total yearly amount of which will be determined by the General Shareholders' Meeting and reviewed and updated accordingly in keeping with the indices or criteria established by the General Shareholders' Meeting. Said remuneration will comprise the following items: (i) a fixed payment; (ii) allowances for effective attendance at the meetings of the Board of Directors and its delegate or advisory committees; and (iii) the lesser of the two following amounts: (a) the amount that must be added to the two aforementioned concepts to make up the total combined remuneration established by the General Shareholders' Meeting; or (b) an amount equivalent to 0.5% of consolidated profits of the financial year earmarked for allocation to the Company.

In any case, the amount stipulated in section (iii) above may only be effectively paid following compliance with the requirements set forth in article 218.2 of the Corporate Enterprises Act.

2. The Board of Directors shall, for each financial year, define the method and time of payment and shall likewise agree upon the exact allocation among its members of the total remuneration prescribed by the Bylaws, as described in paragraph one above. Said allocation may be calculated individually, based on the relative involvement of each Board member in performing the duties of the Board.

3. The compensation set forth in the preceding two sections will be compatible and without prejudice to fixed salaries; variable remuneration (based on attainment of business/corporate and/or personal performance targets); severance pay following the removal of directors for any reason other than breach of their duties; pensions; insurance policies; employee benefit schemes; deferred payment items; and remuneration formulae involving the delivery of shares, options on same or pegged to value thereof; all the foregoing for those members of the Board of Directors who perform executive functions.

4. The Company can purchase civil liability insurance for its Directors.

5. The Board of Directors shall draw up an annual report on its directors' remuneration with the content and effects provided in the applicable legislation."

(c) Remuneration of the Board of Directors for the year 2012. Combined total amount of annual remuneration

As mentioned above, the Company's present system of remuneration, as set out in article 57 of its Bylaws, is based on the fixing by the Board itself of a single combined annual amount of remuneration for all members of the Board of Directors.

The General Shareholders' Meeting of 22 October 2009 (under the name of Cintra Concesiones de Infraestructuras de Transporte, S.A.) fixed the annual amount of fixed remuneration of the Board of Directors as a whole at €1,772,727, having regard to the number of members of the Board (thirteen) at the time the amount was approved, so that if there was an increase or a decrease in the number of Directors the amount would be adjusted accordingly, based on the time for which incoming and outgoing Directors had held office.

The General Meeting also resolved that, for all years after 2009, the said amount would automatically be reviewed according to any change in the Consumer Price Index.

Pursuant to these resolutions, the fixed annual amount of remuneration for the year 2012 was set at €1,739,713.18 for the 12 members of the Board of Directors, and would be shared out among them in proportion to the amount of time for which they had served.

Components of Board of Directors' remuneration.

Under article 57 of the Bylaws, the Board of Directors is responsible for deciding on how the combined annual total amount fixed by the General Shareholders' Meeting is to be distributed among its members. The Board of Directors, at its meeting on 23 February 2012, resolved to set the following remuneration for 2012:

(i) Fixed remuneration of €420,000 gross per annum for the 12 members of the Board of Directors who were in office at the end of the year. This amount remained unchanged from 2011.

(ii) Per diems for actual attendance at meetings of the Board of Directors and of any delegated or advisory committees of the Board.

The total amount accruing to Directors in per diem payments for 2012 was €584,000.

Procedures for establishing board members' remuneration and relevant provisions in the bylaws

(iii) And the lesser of the two following amounts: (a) the amount that must be added to the two aforementioned concepts to make up the total combined remuneration established by the General Shareholders' Meeting; or (b) an amount equivalent to 0.5% of the consolidated profits for the financial year attributable to the Company.

For the year 2012, as the figure of 0.5% of the consolidated profit for the year attributable to the Company was the greater of the two amounts, the sum to be distributed as the third remuneration component was the remaining sum available as described under (a) above, that is, the sum of €735,213.18 gross, again in proportion to the amount of time for which Directors had been in office. For distribution, the resulting amount is divided into 14, with the following factors being applied to these amounts to arrive at each individual payment: Chairman of the Board 2; First Deputy Chairman 1.75; Second Deputy Chairman 1.25; and all other Board members 1.

In accordance with policy laid down by the Board of Directors, the amount payable in respect of this third component is subject to the recipient making a mandatory investment in shares of the Company. The shares are to be purchased in a single transaction during the first stock market trading session after the final date by which periodic financial reports are required to be filed with the CNMV after the holding of a General Shareholders' Meeting approving the financial statements for the year.

A breakdown of remuneration payable to each individual Director for the year 2012 is provided in Section G.

Indicate whether the board has reserved for plenary approval the following decisions:

On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.	NO
Directors' remuneration, and, in the case of executive directors, the additional remuneration for their executive functions and other contract conditions.	YES

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the points included:

YES

The amount of the fixed components, itemised where necessary, of board and board committee per diem allowances, with an estimate of the fixed annual payment they give rise to.	YES
Variable components.	NO
The main characteristics of pension systems, including an estimate of their amount of annual equivalent cost.	YES
The conditions that the contracts of executive directors exercising executive functions shall respect.	YES

B.1.16 Indicate whether the board submits a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. Explain the points of the report regarding the remuneration policy as approved by the Board for forthcoming years, the most significant departures in those policies with respect to that applied during the year in question and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and whether external consultancy services have been procured, including the identity of the external consultants.

YES

Issues covered in the remuneration policy report

<p>As in 2011, and as required by article 61 ter of the Spanish Securities' Market Act, for the year 2012 the Board of Directors of Ferrovial, S.A. will be drawing up and making available to the shareholders an Annual Directors Remuneration Report.</p>
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<p>Such report will describe aspects relating to the Company's remuneration policy for 2012, the planned policy for future years, a global summary of how the remuneration policy was applied during the year and details of individual remuneration accrued by each Director, in particular:</p>

- | |
|---|
| <ul style="list-style-type: none">- Principles, standards and basis of Ferrovial remuneration policy.- Changes in remuneration policy.- Relative weight of variable remuneration vs. fixed remuneration, and standards for determining components of directors' remuneration package.- Preliminary work and decision-making process of Nomination and Remuneration Committee and other oversight bodies.- Amount and nature of fixed components.- Amount and nature of variable components.- Long-term saving systems.- Agreed or paid indemnities.- Contractual conditions.- Supplementary remuneration.- Advances, credits and guarantees.- Other remuneration.- Deferred remuneration.- Relationship between remuneration and company income. |
|---|

<p>This report will be put to an advisory vote of the Ordinary General Shareholders' Meeting as a separate point on the agenda.</p>

Role of the Remuneration Committee

<p>As already mentioned, the Annual Report on Remuneration is reviewed by the Nomination and Remuneration Committee before it is formally approved by the Board of Directors.</p>

<p>In the area of remuneration the Committee also has the following responsibilities:</p>

- | |
|---|
| <ul style="list-style-type: none">- The power to make recommendations on the Directors' remuneration in accordance with the Bylaws.- Submitting recommendations to the Board on additional remuneration payable to Executive Directors in respect of their executive functions.- Overseeing compliance with the remuneration policy set by the Company. |
|---|

Have external consultancy firms been used?	
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Identify of external consultants

(See Section G)

B.1.17 List any board members who are likewise members of the boards of directors, or executives or employees of companies that own significant holdings in the listed company and/or group companies.

Name or corporate name of the director	Name or corporate name of significant shareholder	Post
RAFAEL DEL PINO Y CALVO-SOTELO	KARLOVY, S.L.	Representative of Chairman & Chief Executive Officer
RAFAEL DEL PINO Y CALVO-SOTELO	PORTMAN BAELA S.L.	Representative of Chairman & Chief Executive Officer
MARÍA DEL PINO Y CALVO-SOTELO	PORTMAN BAELA S.L.	Representative of the Deputy Chairman and Board member
MARÍA DEL PINO Y CALVO-SOTELO	KARLOVY, S.L.	Representative of the Deputy Chairman and Board member

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

B.1.18 Indicate whether any changes have been made to the regulations of the Board of Directors during the year:

YES

Description of amendments
<p>The Board of Directors, at its meeting on 26 April 2012, approved modifications to articles 2, 8, 9, 13, 18, 19, 21, 22, 23, 24, 26, 30, 34, 35, 36, 38, 39 and 40 of the Regulations of the Board of Directors.</p> <p>Each of the proposed modifications was intended to fulfil one of these objectives:</p> <ul style="list-style-type: none"> (i) Incorporation of the latest changes in law that affected the wording of the Regulations; (ii) Adapting the Regulations to the removal of article 30.3 c) from the Bylaws as resolved by the General Meeting held on 30 March 2012; (iii) Clarifications and improvements in the wording of the Regulations.

B.1.19 Indicate the procedures for appointing, re-electing, appraising and removing directors. List the competent bodies and the processes and criteria to be followed for each procedure.

Composition of the Board

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

Recruitment of Directors.

The Regulations of the Board of Directors include a procedure for nominating or shortlisting candidates for appointment or re-appointment as Directors. This procedure, when used to select new Directors, has normally been implemented with assistance from recruitment firms.

The responsibilities of the Nomination and Remuneration Committee include the drawing up of selection criteria on

the basis of which candidates are to be chosen. Appointments (or re-appointments) of Directors, under article 26 of the Regulations of the Board of Directors, are to be preceded by:

- A recommendation from the Nomination and Remuneration Committee in the case of an Independent Director.
- A prior report from the Nomination and Remuneration Committee for all other appointments to the Board.

Every effort is made to ensure that successful candidates are of proven reliability, competence and expertise, and special care is taken with appointments to posts of Independent Director, which must be in accordance with the relevant provisions of the Regulation.

Proprietary Directors are not permitted by the Regulations to maintain, directly or indirectly, and in a personal capacity, any significant commercial, business, employment or professional relations with Ferrovial other than in the performance of the duties inherent to the offices of Chairman and Chief Executive Officer of the Company.

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

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

Directors proposed for appointment, re-election or removal shall not intervene in the corresponding deliberations and voting. All votes shall be taken in secret.

Term of office.

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

Appointments to the posts of Chief Executive Officer and Secretary to the Board, and membership of Board Committees.

The Nomination and Remuneration Committee is required to:

- Submit a prior report on the appointment, resignation or removal of the Chief Executive Officer or, on a proposal from the Chairman, the Secretary to the Board.
- Propose Board members to sit on Board Committees.

Evaluation of the Board of Directors.

The Regulations of the Board of Directors require the Board to evaluate every two years:

- Its performance workings and the quality and efficiency of its work.
- The performance of the Chairperson and Managing Director of the Company, following consultation with the Nomination and Remuneration Committee.
- The performance of its Committees, on the basis of reports furnished by them.

In 2012, the Board undertook an assessment of its own organisation and functioning. This process was carried out with the advice of a specialist firm of consultants.

B.1.20. Indicate the cases in which directors must resign.

Rules have been laid down for Director resignations. The Regulations of the Board of Directors provide a set of circumstances in which Directors are required to offer their resignations to the Company and, if considered

appropriate by the Company, to formally resign. In addition to termination of a Director's appointment at the end of their term of office or when the General Meeting so decides, the Regulations provide the following grounds of termination:

- In the case of an Executive Director, where the Board of Directors considers it appropriate.
- In the case of Proprietary Directors, when the whole of the shareholding in the Company in respect of which they were appointed is transferred. Directors must also resign from office, in a suitable number, if such shareholding is reduced to a level that requires a reduction in the number of Proprietary Directors.
- When they are in any situation giving rise to a conflict of interest or otherwise prohibiting them from holding office, whether provided for by law or by Company Regulations.
- At the request of the Director concerned, following a breach of their obligations as a Director.
- Where the Director could, by continuing to serve as a member of the Board, place the interests of Ferrovial in jeopardy.
- On reaching the age of 70 years. The Chairman, the Deputy Chairman (when performing executive functions), the Chief Executive Officer and the Secretary to the Board are required to resign on reaching the age of 65 but may continue to serve as Board members and as Chairman and Deputy Chairman when they are no longer executive members.
- If there is a significant change in their employment situation or in the conditions relevant to their appointments as Directors.
- Where due to circumstances attributable to the Director, their continuing presence on the Board would, in the Board's opinion, cause serious harm to the assets or reputation of the Company. In particular, if a Director is tried or summoned to attend a court hearing on a charge under section 213 of the Spanish Corporate Enterprises Act, the Board will as soon as possible consider the circumstances of the case and whether or not the Director should remain in office, and report its conclusions in the Annual Corporate Governance Report.

With regard to Independent Directors, the Regulations of the Board of Directors state that the Board will not ask them to resign before the end of their term of office unless it considers there are reasonable grounds for doing so after a recommendation has been received from the Nomination and Remuneration Committee. Reasonable grounds are considered to exist, in particular, where an Independent Director has failed in his duty or has a conflict of interest, or in any of the circumstances described above.

An Independent Director may also be asked to resign if, as a result of a takeover bid, merger or other transaction of a similar nature, a change in the capital structure of the Company occurs such as to require an adjustment to the proportionality rules laid down in the recommendations on corporate governance.

B.1.21 Indicate whether the duties of chief executive officer fall upon the Chairman of the Board of Directors. If so, describe the measures taken to limit the risk of powers being concentrated in a single person:

YES

Measures for limiting risk

A) Powers of the Board of Directors

The Board of Directors is responsible for performing the management, representational and supervisory tasks necessary to ensure that the Company's objects are achieved and to protect the general interests of the Company and create value for the benefit of all shareholders.

Furthermore, without prejudice to any delegated powers exercisable by it, the Board directly appropriates to itself or to Board Committees the power to deliberate on certain matters on which is it required to reach decisions. These include the following:

- Approval and oversight of strategies for the Company's development.
- Supervision of management activities and evaluation of managers.
- Setting up new companies and acquiring or selling existing shareholdings where such action would result in the taking or losing of a majority shareholding or a proportional shareholding of more than a certain size, or in the launching or discontinuing of one or more business lines.
- Any merger, spin-off or restructuring involving the Company or any company of which the Company is a shareholder.
- Transactions involving investments, disposals, financing or guarantees affecting significant Group assets whose value exceeds certain thresholds.

The notice of meeting for ordinary sessions of the Board will contain the agenda, which will include items requested by any of the Directors.

If, following a request for a Board meeting by the Directors, the Chairman fails to call the meeting within one month for no justified reason, directors comprising at least one-third of the members of the Board of Directors may call a meeting of the Board, indicating the agenda, to be held in the city where the Company has its registered office.

B) Chief Executive Officer

The Company has had a Chief Executive Officer since it was stock market listed.

C) Lead Director

The Board of Directors has appointed a Lead Director. (See the following section.)

Indicate, and if necessary, explain whether rules have been established that enable any of the independent directors to convene board meetings or include new items on the agenda, to coordinate and voice the concerns of external directors and oversee the evaluation by the Board of Directors.

YES

Explanation of rules
<p>Lead Director.</p> <p>Article 15 of the Regulations of the Board of Directors requires that where the Chairman is also the Company's first executive, one of the Independent Directors will take the role of coordinating the External Directors. In particular, he/she will act as a conduit for any issues or concerns raised by the External Directors and may ask for a Board meeting to be called and for items to be included on the agenda.</p> <p>The Lead Director must be an Independent Director.</p> <p>The Lead Director is appointed by the Board of Directors based on a proposal by the Nomination and Remuneration Committee.</p> <p>At a meeting of the Board held on 30 May 2012, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed José Fernando Sánchez-Junco as Lead Director for a term of two (2) years.</p> <p>Article 23.2 of the Regulations of the Board of Directors lays down that notice of ordinary meetings of the Board will contain the agenda, which will set out any items requested by any of the Directors.</p> <p>In addition, if, following a request for a Board meeting by the Directors, the Chairman fails to call the meeting within one month for no justified reason, Directors comprising at least one-third of the members of the Board of Directors may call a meeting of the Board, indicating the agenda, to be held in the city where the Company has its registered office.</p>

B.1.22 Are qualified majorities, other than those prescribed by law, required for any type of decisions?

NO

Describe how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions:

Description of resolution:

All resolutions

Quorum	%
More than half, at least, of its members (attending in person or by proxy)	50.01

Type of majority	%
An absolute majority of Directors present	50.01

B.1.23. Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman.

NO

B.1.24. Indicate whether the Chairman has the casting vote.

YES

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

B.1.25. Indicate whether the bylaws or the regulations of the Board of Directors set any age limit for

directors:

YES

Age limit for Chairman	Age limit for Chief Executive Officer	Age limit for Directors
65	65	70

B.1.26 Indicate whether the bylaws or the regulations of the Board of Directors set a limited term of office for independent directors:

NO

Maximum number of years in office	0
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B.1.27 If there are few or no female directors, explain the reasons and describe the initiatives adopted to remedy this situation.

Explanation of reasons and initiatives
The Board of Directors includes one female Director.

Indicate in particular whether the Nomination and Remuneration Committee has established procedures to ensure the selection processes are not subject to implicit bias that will make it difficult to select female directors, and make a conscious effort to search for female candidates who have the required profile.

NO

B.1.28 Indicate whether there are any formal processes for granting proxies at board meetings. If so, give brief details.

Under article 47.3 of the Bylaws and article 24.3 of the Regulations of the Board of Directors, if a Director cannot attend in person, he will seek to appoint another member of the Board to act as his proxy; such appointment must be in writing, for a special purpose, and should include voting instructions where the form of the agenda so permits.

B.1.29 Indicate the number of board meetings held during the year and how many times the board has met without the Chairman's attendance:

Number of board meetings	11
Number of board meetings held in the absence of its chairman	0

Indicate how many meetings of the various board committees were held during the year.

Number of meetings of the Executive or Delegated Committee	5
Number of meetings of the Audit and Compliance Committee	6
Number of meetings of the Nomination and Remuneration Committee	6
Number of meetings of the Nomination Committee	0
Number of meetings of the Remuneration Committee	0

B.1.30 Indicate the number of board meetings held during the financial year without the attendance of all members. Non-attendance will also include proxies granted without specific instructions:

Number of non-attendances by directors during the year	6
% of non-attendances of the total votes cast during the year	4.545

B.1.31 Indicate whether the individual and consolidated financial statements submitted for approval by the board are certified previously:

YES

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

Name	Post
RAFAEL DEL PINO Y CALVO-SOTELO	Chairman of the Board of Directors
IÑIGO MEIRÁS AMUSCO	Chief Executive Officer
ERNESTO LÓPEZ MOZO	Chief Financial Officer

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

With regard to responsibility for preparing the financial statements, the Regulations of the Board of Directors contain the following provisions:

- Every effort will be made to ensure that there are no qualifications in the Auditor's Report.
- However, when a qualification is made and the Board considers that it should maintain its position, the Chairman of the Audit and Control Committee and, if required, the External Auditor, will publicly explain the nature and extent of the disagreement.

B.1.33 Is the Secretary of the board also a director?

NO

B.1.34 Explain the procedures for appointing and removing the Secretary of the board, indicating whether his/her appointment and removal have been notified by the Appointments Committee and

approved by the board in plenary session.

Appointment and removal procedure
To be appointed Secretary to the Board of Directors it is not necessary to be a Director. Appointments and removals are proposed by the Chairman and approved by the Board on the basis of a report from the Nomination and Remuneration Committee.

Does the Nomination Committee advise on appointments?	YES
Does the Nomination Committee advise on dismissals?	YES
Do appointments have to be approved by the Board in plenary session?	YES
Do dismissals have to be approved by the Board in plenary session?	YES

Is the Secretary of the board entrusted in particular with the function of overseeing corporate governance recommendations?

YES

Remarks
Under the Regulations of the Board of Directors, the duties of the Secretary to the Board include verifying the Company's compliance with the corporate governance regulations and of interpreting them. He/she will also take account of the corporate governance recommendations which the Company decides to adopt and will analyse those arising at any time in order to possibly include them in the Company's internal rules.

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

Audit and Control Committee.

One area of responsibility of the Audit and Control Committee is to advise on the appointment of the Auditor, the terms of his engagement, the scope of his work and on whether or not his appointment should be renewed.

The Committee cannot under any circumstances recommend that the Board employ any auditing firm whose total fees for all services are expected to exceed 5% of the Company's total revenue for the last year.

In any event, the Committee must, on an annual basis, receive from the Auditor of the accounts written confirmation of its independence with respect to the Company or institutions directly or indirectly connected to the Company, as well as information on any type of additional services provided to these institutions by the said Auditor, or by persons or institutions related to the latter pursuant to the provisions of Royal Decree 1/2011, of 1 July, approving the Revised Text of the Audit Act. The Committee issues annually, prior to the issuing of the external auditor's report, a report expressing an opinion on the independence of the external auditor. This report must express an opinion on the provision of the aforementioned additional services.

Internal procedures.

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

In addition, the Company has an internal procedure in place under which the engagement of any professional consultancy or advisory services from auditing firms or other organisations related to them, whether or not any of

these firms have at the time been engaged to review the consolidated or individual financial statements of Ferrovia S.A. or any company in its group, must have first been authorised either by the Audit and Control Committee or by the Finance Department, depending on whether or not the cost of the services exceeds a certain amount. Furthermore, the Audit and Control Committee receives at each of its meetings a summary of all appointment commitments actually made and an estimate of the costs to be incurred in the rest of the year.

Restrictions on the employment of analysts.

With regard to the employment of analysts, the Nomination and Remuneration Committee is responsible for taking measures to ensure that Ferrovia does not employ any staff or senior executives who have carried out research on the Company for a rating agency within a period of two years after they have left the rating agency's employ. The Nomination and Remuneration Committee decided that the Human Resources Department was the department best equipped to take the measures necessary to prevent the employment of such persons. As a result, in 2008 the Human Resources Department approved an internal procedure for this purpose.

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

NO

Outgoing auditor	Incoming auditor

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

NO

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

YES

	Company	Group	Total
Amount of non-audit work (€ thousand)	0	580	580
Amount of non-audit work as a % of the total amount billed by audit firm	0.000	17.000	15.000

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

NO

B.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Company	Group
Number of consecutive years	3	3

	Company	Group
Number of years audited by current audit firm/Number of years the company's financial statements have been audited (%)	27.0	27.0

B.1.40 List any equity holdings of the members of the company's Board of Directors in other companies with the same, similar or complementary types of activity to that which constitutes the corporate purpose of the company and/or its group, and which have been reported to the company. Likewise, list the posts or duties they hold in such companies:

B.1.41 Indicate and give details of any procedures through which directors may receive external advice:

YES

Details of procedure
<p>Under the Regulations of the Board of Directors, Directors are at liberty to approach any Senior Manager for information and should inform the Company Chairman when doing so. They are also free to ask the Chairman, the Deputy Chairman, the Chief Executive Officer and the Secretary to the Board for any other or further information they may reasonably require.</p> <p>To help Directors in performing their duties, the Regulations of the Board of Directors also provide that Directors may request that legal, accountancy, financial or other expert advisors be engaged at the Company's expense to provide assistance on particular issues where these are of a certain importance or complexity. Any such request should be made to the Chairman of the Company and may only be rejected by the Board in certain limited cases.</p> <p>Finally, there is a special provision in the Regulations under which the Audit and Control Committee may, subject to certain requirements, seek expert assistance in performing its duties.</p>

B.1.42 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies:

YES

Details of procedure
<p>Meetings of the Board of Directors are convened by written notice to each Director in person accompanied by the documents they will need to familiarise themselves with the business on the agenda. Save in exceptional circumstances, such notice and documents must be delivered not less than 48 hours in advance of the date of the meeting. The agenda includes any items requested by any of the Directors.</p> <p>In addition, Directors are permitted by the Regulations of the Board of Directors to request information directly from Senior Management, and should inform the Company Chairman when doing so. They may also ask the Chairman, Deputy Chairman, the Chief Executive Officer and the Secretary to the Board for any information they may reasonably require.</p>

B.1.43 Indicate and, where appropriate, provide details of whether the company has established rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be.

YES

Details of rules
<p>Under the Regulations of the Board of Directors, Directors are required to tender their resignation to the Company in certain circumstances, including the following:</p> <p>If there is a significant change in their employment situation or in the conditions relevant to their appointments as Directors.</p> <p>Where the Director could, by continuing to serve as a member of the Board, place the interests of the Company in jeopardy.</p> <p>Where due to circumstances attributable to the Director, their continuing presence on the Board would, in the Board's opinion, cause serious harm to the assets or reputation of the Company. In particular, if a Director is tried or summoned to attend a court hearing on a charge under article 124 of the Spanish Companies Act, now article 213 of the new Corporate Enterprises Act, the Board will as soon as possible consider the circumstances of the case and whether or not the Director should remain in office, and report its conclusions in the Annual Corporate Governance Report.</p> <p>The Regulations of the Board of Directors also requires Directors, as part of their duty of disclosure, to inform the Company of any criminal or other proceedings taken against them which are of a sufficiently serious nature to risk causing grave harm to Ferrovial's reputation.</p>

B.1.44 Indicate whether any director has notified the company that he/she has been indicted or tried for any of the offences stated in article 124 of the Public Limited Companies Act (LSA for its initials in Spanish):

NO

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

NO

Decision	Explanation

B.2 Committees of the Board of Directors

B.2.1 Give details of all the committees of the Board of Directors and their members.

EXECUTIVE COMMITTEE

Name	Position	Type
RAFAEL DEL PINO Y CALVO-SOTELO	CHAIRMAN	EXECUTIVE
JAIME CARVAJAL URQUIJO	BOARD MEMBER	INDEPENDENT
JOAQUÍN AYUSO GARCÍA	BOARD MEMBER	OTHER EXTERNAL
JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	BOARD MEMBER	INDEPENDENT
MARÍA DEL PINO Y CALVO-SOTELO	BOARD MEMBER	PROPRIETARY
SANTIAGO BERGARECHE BUSQUET	BOARD MEMBER	INDEPENDENT
IÑIGO MEIRÁS AMUSCO	BOARD MEMBER	EXECUTIVE

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Type
GABRIELE BURGIO	CHAIRMAN	INDEPENDENT
JAIME CARVAJAL URQUIJO	BOARD MEMBER	INDEPENDENT
JUAN ARENA DE LA MORA	BOARD MEMBER	INDEPENDENT
SANTIAGO BERGARECHE BUSQUET	BOARD MEMBER	INDEPENDENT

AUDIT AND CONTROL COMMITTEE

Name	Position	Type
JUAN ARENA DE LA MORA	CHAIRMAN	INDEPENDENT
GABRIELE BURGIO	BOARD MEMBER	INDEPENDENT
PORTMAN BAELA S.L.	BOARD MEMBER	PROPRIETARY
SANTIAGO FERNÁNDEZ VALBUENA	BOARD MEMBER	INDEPENDENT

B.2.2. Indicate whether the Audit Committee is responsible for the following.

Supervising the preparation process and monitoring the integrity of financial information on the company and, if applicable, the group, and revising compliance with regulatory requirements, the adequate boundaries of the scope of consolidation and correct application of accounting principles.	YES
Regularly reviewing internal control and risk management systems, so main risks are correctly identified, managed and notified.	YES
Safeguarding the independence and efficacy of the internal audit function; proposing the selection, appointment, reappointment and removal of the head of internal audit; proposing the department's budget; receiving regular report-backs on its activities; and verifying that senior management are acting on the findings and recommendations of its reports.	YES
Establishing and supervising a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.	YES
Submitting to the board proposals for the selection, appointment, reappointment and removal of the external auditor, and the engagement conditions.	YES
Receiving regular information from the external auditor on the progress and findings of the audit programme and checking that senior management are acting on its recommendations.	YES
Ensuring the independence of the external auditor.	YES
In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.	YES

B.2.3 Describe the organisational and operational rules and the responsibilities attributed to each of the board committees.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

The Committees set up to advise the Board of Directors are the Audit and Control Committee and the Nomination and Remuneration Committee, which were created in Grupo Ferrovial, S.A. (now Ferrovial, S.A.) in 1999.

Both Committees are composed entirely of External Directors as required by the Regulations of the Board of Directors, and their duties are concerned with reporting, advising and making recommendations within their respective areas of responsibility. The powers of these Committees to make recommendations cannot prevent the Board from making decisions within these areas on its own initiative, while taking account of the relevant Committee's report.

The Regulations of the Board of Directors prohibits the taking of any decision against a Committee's recommendation, except by a resolution of the Board of Directors.

The Regulations require that the Chairmen of both Committees be Independent Directors.

Both Committees have the same minimum and maximum number of members, which are fixed by the Regulations at between four and six.

The minutes of Advisory Committee meetings are circulated to all Directors. A report on the Committee's deliberations is also given at the first Board meeting to be held after each Committee meeting.

For a description of each Committee's responsibilities, see Section B.2.4.

Committee name

NOMINATION AND REMUNERATION COMMITTEE

Brief description

The rules of procedure of the Nomination and Remuneration Committee are as described above for the Audit and Control Committee. The Committee's responsibilities are described in Section B.2.4.

Committee name

EXECUTIVE OR DELEGATE COMMITTEE

Brief description

All powers of the Board of Directors have been delegated to the Executive Committee except for those which under the law or the Bylaws cannot be so delegated. It is responsible for recommending and overseeing Ferrovial's financial, business and investment strategy. However, article 18.1 of the Regulations of the Board of Directors requires that every effort be made to ensure that all decisions of the types listed therein are taken by the Executive Committee in urgent cases only and that they are then confirmed by the Board. The Committee's rules of membership and procedure follow the same principles as are applied to the Board of Directors and are set out in the Regulations of the Board of Directors. Minutes are taken of all meetings of the Executive Committee and are circulated to all members of the Board to familiarise them with the agenda that was discussed and the decisions reached on each item. For a description of the Committee's responsibilities see Section B.2.4.

B.2.4 Indicate any advisory or consulting powers and, where applicable, the powers delegated to each of the committees.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

Under article 52 of the Bylaws and article 21 of the Regulations of the Board of Directors, the most significant functions of this Committee are as follows:

In the area of External Audit:

Making recommendations to the Board of Directors, for submission to the General Meeting, on the appointment of the External Auditor and the terms of its engagement.

Serving as a channel of communication between the Board of Directors and the External Auditors. Overseeing the independence of the Auditor.

Checking that Senior Managers are acting on the Auditor's recommendations.

Overseeing of any additional services provided to the Company by the External Auditor.

Receiving from the Auditor of the accounts written confirmation of its independence and issuing an annual report giving an opinion on the independence of the Auditor.

In the area of Internal Audit:

Making recommendations on the selection, appointment, re-appointment or replacement of the head of Internal Audit, and on the department's budget.

Supervising the Internal Audit programme and monitoring compliance.

In the area of financial reporting:

Supervising the process of financial reporting and the report submitted for approval of the Board. Supervising the effective functioning of the Company's internal control systems.

In the area of risk control:

Analysing and periodically evaluating the main business risks and the systems in place for managing these risks.

Finally, in other areas:

Supervising compliance with rules on corporate governance.

Setting up and supervising a "whistle-blowing channel".

Reporting on operations to incorporate and acquire companies domiciled in tax havens and on those set up for special purposes pursuant to the Regulations of the Board of Directors.

Committee name

NOMINATION AND REMUNERATION COMMITTEE

Brief description

The Committee's main responsibilities include: Proposing appointments of Independent Directors and reporting on proposed appointments of other Directors. Submitting reports on appointments to the posts of Chief Executive Officer and Secretary to the Board. Making recommendations for appointments of Committee members. Making a recommendation for the appointment of a Lead Director. Proposing a system of annual remuneration for Directors and the amount of that remuneration, reporting on the annual remuneration paid to Executive Directors and other terms of their contracts. Reporting on the appointment or removal of Senior Managers directly answerable to the Chief Executive Officer. Reporting on the contracts of and compensation payable to Senior Managers. Reviewing the process for ensuring an orderly succession of the post of Chairman and Chief Executive Officer.

Committee name

EXECUTIVE COMMITTEE

Brief description

All powers of the Board of Directors have been delegated to the Executive Committee except for those which, under the law or the Bylaws, cannot be so delegated. It is responsible for recommending and overseeing Ferrovial's financial, business and investment strategy.

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

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

The composition, positions, rules of operation and powers and duties of the Audit and Control Committee are regulated in the Bylaws. The Regulations of the Board of Directors state that Advisory Committees, including the Audit and Control Committee, are to draw up their own rules of procedure and where no special provision has been made the rules that apply will be the rules of procedure established by the Board in its Regulations, provided that these are compatible with the nature and purpose of the Committee. Each year the Audit and Control Committee prepares a report on its activities which is included as part of the Company's annual business review. Its Chairman also reports to the General Meeting on the Committee's activities. The Board of Directors, at its meeting on 26 April 2012, amended among other aspects article 19 of the Regulations of the Board regarding the composition of the Audit and Control Committee and article 21 regulating the powers of this Committee to bring it into line with new legislation.

Committee name

NOMINATION AND REMUNERATION COMMITTEE

Brief description

The composition, positions, rules of operation and powers and duties of the Nomination and Remuneration Committee are regulated in the Bylaws. The Regulations of the Board of Directors state that Advisory Committees, including the Nomination and Remuneration Committee, are to draw up their own rules of procedure and where no special provision has been made, the rules that apply will be the rules of procedure established by the Board in its Regulations, provided that these are compatible with the nature and purpose of the Committee. The Board of Directors, at its meeting on 26 April 2012 amended, among other aspects, article 22.3 of the Regulations of the Board of Directors regarding the functions of the Nomination and Remuneration Committee to bring it into line with new legislation.

Committee name

EXECUTIVE COMMITTEE

Brief description

The Executive Committee is governed by the Regulations of the Board of Directors and, where applicable, by the rules applicable to the Board of Directors. The Regulations of the Board of Directors are registered with the Companies Registry and can be viewed on the group web site at www.ferrovial.com.

B.2.6 Indicate whether the composition of the Executive Committee reflects the participation within the board of the different types of directors.

YES

C – RELATED-PARTY TRANSACTIONS

C.1 Indicate whether the board plenary sessions have reserved the right to approve, based on a favourable report from the Audit Committee or any other committee responsible for this task, transactions which the company carries out with directors, significant shareholders or representatives on the Board, or related parties:

YES

C.2 List any relevant transactions entailing a transfer of assets or liabilities between the company or its

group companies and the significant shareholders in the company:

C.3 List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies, and the company's managers or directors:

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

C.5 Identify, where appropriate, any conflicts of interest affecting company Directors pursuant to Article 127 of the LSA.

NO

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

Directors are required by the Regulations of the Board of Directors to make every effort to avoid conflicts of interest and are under obligation to inform the Secretary to the Board of any conflict that arises.

In no circumstances should a Director be present at or take part in any discussions on matters in which he has a personal interest.

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

These requirements also apply to controlling shareholders, Senior Managers and any persons who are related to any of them.

In particular the Regulations require that a Proprietary Director disclose to the Company any circumstances that could involve a conflict of interest between the shareholders nominating the Proprietary Director and Ferrovial. In these circumstances, all parties concerned are required to abstain from taking any part in the decision process.

In accordance with the Regulations of the Board of Directors, all professional or commercial transactions involving Ferrovial, S.A. or its subsidiaries and the persons referred to below require the authorisation of the Board of Directors, subject to a report from the Audit and Control Committee. In the case of ordinary transactions involving Ferrovial, the general approval of the Board of Directors will suffice. This authorisation is not necessary, however, for transactions that simultaneously fulfil the following three conditions:

- 1.- They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
- 2.- They are carried out at prices or rates established on a general basis by the party acting as the supplier of the good or service in question.
- 3.- The amount does not exceed more than 1% of the Company's annual revenues.

The following persons are subject to these rules:

- Directors of Ferrovial S.A. The person requesting authorisation must vacate the meeting room while the Board deliberates and votes on said authorisation and may not exercise or delegate his or her voting rights.
- Controlling shareholders.
- Natural persons representing directors that are legal persons.
- Senior executives.
- Other managers designated individually by the Board of Directors.
- Persons related to the above listed persons, as defined in the Regulations of the Board of Directors.

Details of related-party transactions in 2012 are provided in Section G.

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

NO

Identify the listed subsidiaries in Spain:

D - RISK CONTROL SYSTEMS

D.1 Give a general description of risk policy in the company and/or its group, detailing and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

The Board of Directors is responsible, as per article 8 of the Regulations of the Board of Directors, for approving the risk control and management policy. The Board has determined that risk policy at Ferrovial can be concisely expressed by the following principles:

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

I. Introduction

Ferrovial has implemented a comprehensive risk management system called Ferrovial Risk Management (FRM). The system, which is oriented towards associating risks analysed with the objectives these risks threaten, is applied to all the Group's lines of business, including subsidiaries in which Ferrovial has management capacity. The Corporate Risk Management Department is responsible for coordinating the application and operation of the FRM.

II. The Company's main risks

Ferrovial operates in countries with different social and economic situations and regulatory frameworks. In general, Ferrovial believes that significant risks are those that may compromise the viability of its businesses; their profitability; and corporate reputation, particularly any factor that may compromise the safety of its employees or third parties affected by its business activities or that might impact on the environment in which those activities are performed.

In particular, the most significant risks tracked and managed by the system are as follows:

1. Strategic risks

The following is an analysis of possible risks related to the market and the environment in which each business operates; those which may arise from alliances with partners; and others related to the Company's own organisation, its governance structure and structure for relations with external agents.

Notable among these risks is the monitoring of the following:

Regulatory and socio-political risks.

Especially in airport and toll road activities, although other businesses may also be affected by regulatory changes.

For example, activities related to environmental policies, such as energy efficiency, waste management or wastewater treatment are tightly dependent on sector regulation. Central services constantly monitor environmental regulatory processes that might affect business areas, seeking to not only control risk for group activities but also exercise influence to exploit opportunities that may arise in new regulatory frameworks.

(b) Risk of the concession being recovered without payment of compensation (linked to so-called country risk).

Ferrovial's investment focuses mainly on OECD countries since their political, social and economic conditions and legal certainty are considered to be stable and sound. In this context, the risk that a government will denationalise the concessions is sufficiently hedged by the clauses that guarantee indemnity and compensation to concession holders.

(c) Social movements against transport infrastructure or expansion, or movements organised by interest groups favouring the suppression of toll-road charges or any others linked with concession contracts.

Regarding action taken by these interest groups, the corporate and business division managements are in permanent contact with them in order to meet their expectations and anticipate any possible impact on the Company.

2. Operational risks

Following the chain of each business, the analysis focuses on the possible emergence of risks related to processes of sales, collections and customer relations; in procurement, payment and relations with suppliers and on different risks related to assets and factors of production. Of all these potential risks, special attention is focused on the following:

Quality risks related to deficiencies or delays in executing work or providing services to customers and users.

All business areas have implemented quality management systems. The systems perform continuous follow-up of key indicators, which measure the quality levels of the work delivered (Construction), or the service provided to users (Services, Toll Roads and other infrastructures), with the aim of establishing preventive measures and early courses of action to reduce the probability of risk emergence.

In addition, satisfaction surveys are carried out by independent experts with a view to identifying the critical areas of customer and user dissatisfaction and setting in motion measures designed to solve these deficiencies. These surveys are targeted at representative samples of customers, as well as users of installations and services provided by Ferrovial.

Environmental risks, arising from practices that may generate a significant environmental impact, mainly as an effect of construction work, waste product management or processing, transport infrastructure operation and the provision of other services.

Risks of environmental pollution and damage related to the new European liability system (Directive 2004/35/EC). This is considered a particularly significant risk in the activities carried out by Construction and Services (basically at waste product management facilities) and, to a lesser extent, at Airports and Toll Roads (for example, spills from fuel tanks and other ecotoxic substances).

Specific procedures exist for managing environment risk implemented by the business areas of Construction, Services and Airports that are oriented towards identifying and evaluating the most relevant risks, as well as managing, mitigating and controlling them. Ferrovial has been a pioneer in the implementation of these procedures, anticipating the legal requirements by several years, particularly in Spain as a result of the entry into force of Law 26/2007 on Environmental Responsibility and Royal Decree 2090/2008 which partially implements the law and requires environmental risk analyses for certain activities, as well as the Order of the Ministry of Environment and Rural and Marine Affairs of 22 June 2011, which lays down a calendar for the entry into force of these obligations (this legislation is currently under review). In addition, as established in the environmental liability system, European Union member states may demand financial guarantees from operators in order to remedy these types of risk. For this reason, Ferrovial has adopted the decision to anticipate events, and since 2007 has had an insurance policy covering these risks in the terms established in this European regulation, which remains in force and adapted to the reality of risk.

(c) Risks arising from accidents and catastrophic events:

(i) Liability arising from causing damage to third parties during service provision.

- Damage to third parties due to serious accidents during the execution of works, e.g. when building a tunnel under the city.

- Damage to third parties because of the poor state of the highway in Toll Roads activity: Liabilities arising from road accidents and incidents caused by a poor state of highway maintenance.

The quality system implemented performs continuous monitoring of the level of highway servicing, which allows the appropriate preventive measures to be carried out. This monitoring is carried out in an indicator scorecard that is periodically reported to the highest executive level in the business area.

In addition, the Corporate Insurance Department has a Public Liability programme with coverage and compensation limits that are in line with the assessment of this risk.

- Incidents or accidents involving aircraft at airports managed by Ferrovial.

Incidents that may affect the safety of airport users, including those arising from terrorist threat.

Airports that Ferrovial helps to manage comply with international regulations on security.

In addition, they have introduced the best practices from the MATRA (Multi-Agency Threat and Risk Assessment) process, which is a mechanism endorsed by public institutions (TRANSEC programme), based on collaboration and the exchange of information between different agencies (government departments, local authorities, emergency services, the police).

Lastly, the Corporate Insurance Department maintains Public Liability and Damage programmes that include cases of terrorist threat, with coverage and compensation limits that are in line with the assessment of this risk.

(ii) Physical damage to infrastructures developed or managed by Ferrovial, mainly due to natural disasters.

There is coverage for Damage to Infrastructures and Loss of Profit that covers impacts caused by natural disasters or other less intensive risks.

3. Compliance risks

The system analyses possible risks associated with the compliance of obligations at three different levels:

(a) Applicable laws, whether contained in generic frameworks (civil, mercantile, penal and labour) in which the Company operates, as well as other, more specific regulations applicable: for example, operational obligations related to sector regulations or regulations applicable to security markets for listed companies.

In environmental matters, where laws are especially profuse and technical in nature, adequate knowledge of environmental regulations is facilitated with an on-line IT system (SIGMA). Compliance risks are also minimised with the implementation of assessment and monitoring programmes in production centres of business areas in which environmental risks are most significant (Services, Construction, Airports). These systems are linked either to environmental risk management systems (Services) or to those of environmental audit and assessment (Construction, Airports). Compliance assessments are performed by qualified personnel that are independent from the production line. Results are incorporated through a system of key indicators and, if risks of violation of current regulations are found, specific measures in each case are activated to prevent the risk occurring.

(b) Contracts with third parties, with special attention for risks that may arise from the moment of their preparation and drafting or those related to differences of interpretation with the counterparty.

(c) Obligations imposed by Ferrovial on itself, mainly through ethical codes or codes of conduct, independently of whether obligations in the other two levels mentioned above have been met.

4. Financial risks

In this fourth area, an analysis is provided of potential risks that may arise in relation to changes in financial figures and/or access to financial markets, cash management, the reliability of financial information or fiscal or tax risks.

In particular, attention is devoted to risks that may emerge related to restrictions in obtaining liquidity and those resulting from credit exposure to financial counterparties and from variations in exchange rates and interest rates, inflation or any other financial variable, the management of which is discussed further in the next section.

In general, monitoring and managing of financial risks is coordinated centrally by the Financial Department. There is an established risk management policy that is based on the following general objectives:

1. Prioritising the search for natural hedging of exposure to different risks.
2. Facilitating fulfilment of business plans and avoiding, as far as they are manageable, material deviations caused by changes in financial figures.
3. Minimizing the volatility of conversion in flows between the businesses and the corporation (investments, divestments, dividends, etc.)

III. Control Systems

1. Risk Management System (FRM)

FRM (Ferrovial Risk Management) is the system for comprehensive risk management implemented as a tool to support and add value for members of the management team. FRM is structured as follows:

a) Risk Universe

The analysis diagram is based on a common catalogue to be used by the different business lines which classifies the risks into four main areas: strategic risks, operating risks, regulatory risks and financial risks.

b) Identification and evaluation of risks

The identification and evaluation process is based on the use of two new instruments: the Relevance Matrix and the Value Scale. With the use of these instruments to ensure the use of a common and ordered working process, direct managers identify, prioritise and assess the most relevant risks faced by their businesses in accordance with their potential impact on business objectives and the likelihood of occurrence.

Finally, values are assigned to the probability and recurrence of risk, thus yielding a quantification on a common scale of all risks considered relevant.

c) Reporting

In addition to evaluating the risks incorporated in the FRM system, business managers describe the management systems used and propose, as necessary, new controls or modifications of existing ones.

They also report on the evolution of specific episodes (contingencies) included in the FRM associated with the different risk categories, according to the structure of the Risk Universe, for a particular reporting period.

Finally, with the FRM system, the recipients of the information on risks and contingencies and the frequency with which they receive it can be modified based on the relevance of the risks and contingencies.

2. Quality assurance systems

All business areas have implemented quality management systems that comply with the ISO 9001 standard. When deemed necessary by relevant stakeholders, these systems are certified by a third party; the interest of these groups in certification is not homogeneous in all countries and businesses. Some 80% of the sales of the Group as a whole have systems that have been certified by accredited bodies.

In all cases, these systems are implemented at the production centre level through Quality Plans developed specifically for each one, which ensure: (a) prior planning of the relevant processes for product and service quality; (b) a systematic, documented control of such processes; and (c) sufficient feedback for detecting systematic errors and designing corrective or preventive measures in order to prevent or mitigate errors in the future. The most significant variables of the quality systems are grouped in indicators and the Management Committee is informed periodically of their evolution.

Similarly, business activities are subject to periodic audit processes that evaluate compliance with regulations, contractual requirements and objectives. This follow-up is the responsibility of the technical department, independent of the production line.

Lastly, and to facilitate knowledge about and use of quality requirements in production processes, Ferrovial has a comprehensive centralised database including all the technical regulations applicable to the business activities on a global scale (the 'Normateca' platform), which contains over 16,000 legal rules and standards (ISO, UNE, ANSI, DIN), as well as those from other standardisation organisations. All the business areas have full online access to this application, which is maintained by Central Services.

3. Environmental management systems.

All business areas have implemented environmental management systems that comply with at least the ISO 14001 standard and the EMAS Regulation of the EU. When deemed necessary by relevant stakeholders, these systems are certified by a third party. Some 79% of the total sales of the Group have systems that have been certified by accredited bodies. In each production centre, these systems adapt to the reality of the site by means of an environmental management plan that includes systematic planning and control of processes that involve a risk to the environment, applicable legal requirements and the establishment of quantified objectives for improvement of environmental performance.

Furthermore, activities are subject to on-going examination by means of environmental assessments and audits of processes, practices and the degree of regulatory compliance. In that event, the environmental management systems are closely linked to the risk assessment and management systems. The Group's industrial sites are subject to an environmental assessment and monitoring system that complies with UNE 15008 standard and the requirements of the European Environmental Liability Directive.

Ferrovial has an innovative environmental risk control and monitoring tool called EPI (environmental performance index), which has been validated by a government-sponsored research centre (King Juan Carlos University in Madrid) and recognised by UNESCO's Environmental Chair. EPI has been implemented and validated in Construction and Services, the activities with the highest degree of environmental risk in Ferrovial, where it functions as an integrated indicator. It also serves as an early-warning system for possible non-compliance of the sustainability policy and applicable legal requirements.

Finally, as mentioned above, in order to ensure adequate knowledge of environmental regulations, in 2005

Ferrovial introduced an IT system (SIGMA) containing environmental legal requirements applicable to all production centres.

4. IT security.

The internal control over financial reporting (ICFR) system is described in section F.

5. Financial risk control mechanisms.

a) Exposure to exchange rate fluctuations:

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

To ensure that expected cash flows are not affected by exchange rate fluctuations, hedging mechanisms are used in the following transactions:

- Multi-currency projects (awarded or in the bidding process).
- Income from foreign subsidiaries and dividends or refunds of capital to be received from foreign subsidiaries.
- Intra-group loans to foreign subsidiaries in a currency other than the euro.
- Cash of foreign subsidiaries.
- Payments to suppliers in foreign currency.

As a general rule, hedging relationships are documented such that effectiveness is achieved and they do not generate volatility in the income statement.

b) Exposure to interest rate fluctuations:

In financing of infrastructure projects, financiers and rating agencies wish there to be a fixed payable interest rate to avert volatility in cash flow expectations. Different hedging alternatives are therefore evaluated throughout the lifetime of the financing (depending on amounts and terms and conditions of payment or cancellation).

With regard to Ferrovial's floating-rate debt, the Finance Department monitors for any changes in the market in order to comply with the hedging policy, for opportunities to optimise net interest income, in addition to the requirements of lending institutions and rating agencies, by maintaining the lowest possible rates. Such hedges cover nominal rate risks and in some cases inflation risk owing to indexing of income to this benchmark (agreements with the regulator or public entities).

As a general rule, hedging relationships are documented such that effectiveness is achieved and they do not generate volatility in the income statement.

6. Other preventive procedures.

a) Occupational safety systems

OHS risk prevention systems have been applied in all areas in accordance with Law 31/1995 and its implementing regulations. Safety systems are audited periodically by external bodies accredited for this purpose.

The areas with most significant OHS risks, particularly Construction, have health and safety plans specifically designed for each project and are continuously monitored and analysed.

As an instrument to improve the OHS risk prevention systems, in 2010 a new internal reporting procedure was created for work-related accident data pertaining to Ferrovial and its subsidiaries around the world, which is binding for all business areas. The system gathers all the information generated in the work centres and includes the quarterly report to the Chief Executive Officer. The procedure was designed and implemented based on the following, among other aspects:

1. Ensure the reliability of the information, regardless of the business area, subsidiary or geographical location.
2. Provide indicators and ratios that are comparable across areas and countries, that serve for decision making that is corporate in scope.

b) Non-payment or default

The risk of non-payment by private customers, mainly in the Construction area, is mitigated by a study of their solvency prior to the signing of the contract. The contractual requirements are supervised by the Legal and Finance departments in order to ensure that they establish sufficient guarantees in the event of non-payment, including halting the work. During the performance of the work, the Finance Department

continually monitors the certificates and collection documents, and their effective payment.

c) Crisis notification and management procedures

In the corporate sphere, risk profile is the basis for identifying unexpected situations that may trigger a crisis with significant consequences for the Company. Such risks are identified in itemised catalogues for each business activity that are permanently updated and accessible at all levels of the organisation where such situations may occur.

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

As part of these procedures, there is a protocol for internal and external communication whose aim is, given a crisis situation, for all decision-making levels of the organisation to have access to reliable, adequate information in the shortest possible time.

IV. Risk cover systems

The Ferrovia corporate policy is to arrange insurance for all the business areas through the Corporate Insurance Unit. This department is in the Risk Department in order to take advantage of the risk profile of the Group through technical and economic optimisation of the insurance policies subscribed by Ferrovia.

Company policy requires that, in general, insurance cover be arranged for damage to own goods and infrastructure built by group companies, and for third-party liability.

Under this common policy, risks that can be transferred totally or partially via insurance policies are monitored continually, since the company analyses and reviews cover, indemnity caps, exclusions and premium costs.

D.2 Indicate whether the company or group has been exposed to different types of risk (operational, technological, financial, legal, reputational, fiscal...) during the year.

YES

If so, indicate the circumstances and whether the established control systems worked adequately.

Risks occurring in the year

Reduction in construction activity in Spain. Voluntary bankruptcy R4 and AP36. Fall in traffic, motorways Spain.

Circumstances responsible for this occurrence

Very difficult international and national financial environment. Dramatic reduction in domestic demand.

Operation of control systems

The Company's control systems detected threats affecting the Company in advance, enabling corrective measures considered necessary to be taken, thereby mitigating the potential negative impact of threats.

D.3 Indicate whether there is a committee or other governing body in charge of establishing and supervising these control systems.

YES

If so, explain its duties.

Name of the Committee or Body

Audit and Compliance Committee

Description of duties

According to the Regulations of the Board of Directors, the Audit and Control Committee is responsible for periodically analysing and evaluating the main business risks and the systems in place for managing and controlling them. The Committee devotes a large part of its meeting calendar to this field of responsibility and it receives the periodic support and assistance of the heads of the relevant corporate departments.

D.4 Identify and describe the processes for compliance with the regulations applicable to the company and/or its group.

Risk Management Division

Designs, coordinates and manages the implementation and operation of the Ferrovial Group's risk management system. The system is used by the management team during the process of identifying, assessing and managing risks that jeopardise attainment of business objectives, objectives set as to growth and leadership, profitability and sustainable development.

Quality and Environment Department.

Quality and environmental management systems are subject to a continuous process of evaluation and internal audit. The scope of auditing plans covers both Central Services and production centres. In all cases, audits are performed by Central Services both in the business area and at corporate level, with the participation of qualified experts that are knowledgeable of the business but independent of the production line.

Processes of continuous monitoring and evaluation of critical variables in quality and the environment have also been implemented. This monitoring, which is in addition to the audits mentioned above, covers all production centres. The information gathered in this monitoring process is grouped into quantitative indicators like the EPI mentioned above, particularly with regard to environmental risks in industrial facilities. The performance of these indicators is regularly reported to management in order to guide decision-making.

Internal Audit.

The Audit Department, which reports directly to the Audit and Control Committee, helps manage and control the risks the Group faces in meeting its objectives.

The Audit Department continually analyses the regulations, control procedures and systems, organisation models and management variables of all the areas of the Group, including the projects within the various business lines and aspects of the various support departments and system audits. The conclusions are then reported to the heads of the areas assessed and the Group's Senior Management and the Audit and Control Committee, including, where appropriate, recommendations for specific actions designed for implementing possible improvements. It also regularly reports on the degree of progress in the implementation of said recommendations.

The Audit Department also collaborates in investment and post-investment processes, participates actively in fraud prevention and control, and arbitrates internal disputes between the various Ferrovial Group companies.

Lastly, it should be mentioned that in order to perform these functions, the Audit Department has the knowledge and experience accumulated from continuous direct contact with the various businesses, and draws on assistance from leading external advisors whenever necessary.

Code of Business Ethics

Since 2004, Ferrovial has had a Code of Business Ethics, approved by the Board of Directors, that establishes the basic business ethics principles and commitments that all its companies, employees and executives must respect and comply with in the performance of their activities.

The document complies with the Company's commitment to ensure that relations between the Company, its employees and other stakeholders adhere to the principle of respect for the law, ethical integrity and respect for human rights.

In parallel, the Company has also established a Mailbox on the intranet and post office box where employees can anonymously submit suggestions for improvement, comments or criticisms, report on inefficient situations,

inappropriate conduct, possible cases of non-compliance with the Code of Business Ethics or other internal or external rules. In order to expand the number of potential users of this channel, a Whistle-blowing Mailbox was also set up on both the Spanish and English versions of the website, thus allowing access by any counterparty with dealings with Ferrovial, whether an employee or external entity.

The new Regulations of the Board of Directors confer responsibility for supervising this mechanism on the Audit and Control Committee, which has delegated its operation and control to the Audit Department. The operation of the Mailbox is specified in a procedure published on the intranet and approved by the Chairman and which assigns the related responsibilities while ensuring absolute confidentiality and anonymity if the proponent wishes.

Procedure for protecting Ferrovial's assets by preventing internal fraud.

An internal procedure whose aim is to protect the corporate assets through the prevention of conduct that could mean internal fraud has been in place in Ferrovial since 2005. In 2009, the procedure was updated to keep it fully consistent with the reality facing companies and countries in which Ferrovial operates.

The procedure implements the corresponding principle of the Code of Business Ethics and establishes the right and obligation to report behaviour or actions that may jeopardise Group assets.

This procedure shall be undertaken either through a superior or through the Mailbox made available to employees for the filing of anonymous or signed reports for analysis and the implementation of any appropriate measures.

E - GENERAL SHAREHOLDERS' MEETINGS

E.1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's bylaws. Describe how it differs from the system of minimum quorums established in the LSA.

NO

	Quorum % other than that established in article 102 of the LSA for general cases	Quorum % other than that established in article 103 of the LSA for the special cases described in article 103
Quorum required for first call	0	0
Quorum required for second call	0	0

E.2 Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework set forth in the LSA.

NO

Describe how they differ from the rules established under the LSA.

E.3 List all shareholders' rights regarding the General Shareholders' Meetings other than those established under the LSA.

Rights and participation of shareholders

The Regulation of the General Shareholders' Meeting regulate shareholders' rights in relation to Shareholders' Meetings and, in addition to legally-established provisions. These envisage the following

Powers of the Shareholders' Meeting

Adopting the recommendations of the Unified Good Governance Code, the Regulations of the General Shareholders' Meeting extend the powers of the latter to being informed of transactions that entail transformation of the Company into a holding company through the "affiliation" or incorporation into dependent companies of essential activities hitherto performed by the Company itself and those other transactions that might have an effect equivalent to liquidation of the Company.

Notice of the General Meeting

As soon as the likely date of the Meeting is known, the Board may post it on the Company's website or disseminate it by any other means it considers appropriate.

Drafting of the agenda

The Board of Directors may consider the suggestions or proposals made in writing by shareholders and bearing a relation to the Company's activities or interests which it considers to be of interest for the Meeting.

Right to be informed

The Company may post on its website the replies given to shareholders in response to the questions they raise on the exercise of their right to be informed.

Attendance of external auditors

The external auditors must attend the Shareholders' Meetings.

Audit and Control Committee participation

The Chairman of the Audit and Control Committee must participate in Ordinary Shareholders' Meetings and inform shareholders of the main actions carried out by the Committee.

Voting.

Proposals for substantially independent resolutions and, in particular the appointment or ratification of Board members and modifications to the Bylaws may be voted on separately.

The Company allows the financial brokers who act on behalf of various customers to split their vote.

E.4 Indicate the measures, if any, adopted to encourage shareholder participation in General Shareholders' Meetings

Shareholder participation

In accordance with the Regulations of the Board of Directors, one of the Board's functions is to encourage shareholder participation and adopt all appropriate measures to enable the Shareholders' Meeting to perform its functions effectively. The Board must also endeavour to ensure that shareholders have all the necessary information so as to form an accurate opinion about the Company's performance.

The Regulations of the General Shareholders' Meeting contain several provisions that encourage shareholders to participate:

- As soon as the likely date of the Meeting is known, the Board may post it on the Company's website or disseminate it by any other means it considers appropriate.
- Shareholders will be told, in the notice, that the Meeting is more likely to be held at first call or at second call on the scheduled dates.
- The Board of Directors may consider the suggestions or proposals made in writing by shareholders and bearing a

relation to the Company's activities or interests which it considers to be of interest for the Meeting.

- On giving notice of the Shareholders' Meeting, the Board shall assess whether there are remote communication means enabling shareholders to vote and/or grant proxy (while ensuring the identity of the person exercising the right to vote or, if by proxy, the identities of the proxy and shareholder), and whether the use of such means is feasible.

- Shareholders with attendance rights may attend the Shareholders' meeting by using distance communication methods, if the Board of Directors considers, on the occasion of each call to meeting, that the technical resources and legal grounds permitting and guaranteeing this form of attendance exist.

- The Company shall post on the website the text of all the proposed resolutions, documents and reports that are mandatory or are determined by the Board of Directors.

- The Company's website shall contain all the information deemed to be useful for enabling shareholders to attend and participate in the Shareholders' Meeting, including the procedure for obtaining the attendance card; instructions on how to cast or delegate votes via remote communication as envisaged in the notice, if appropriate; information on the Meeting venue and how to get there; information on any systems or procedures that enable shareholders to follow the Meeting, and information about the Shareholder Service Department.

- Shareholders may be allowed to follow the Meeting remotely via audiovisual means.

- The possibility of simultaneous translation mechanisms is envisaged.

- The Company will study measures to enable disabled shareholders to access the Meeting room.

- The round of questions at the Shareholders' Meeting is regulated in detail. In addition to taking the floor, shareholders may verbally request any information or clarification they consider appropriate regarding the items on the Agenda.

- Shareholders' rights to be informed before or during the Meeting are guaranteed, in accordance with the law.

In its meeting of 22 February 2011, the Board of Directors of Ferrovial, S.A. agreed to set up an online electronic forum for Ferrovial shareholders (the "Forum") to facilitate communication of individual shareholders and voluntary associations thereof for the Ordinary General Shareholders' Meeting of the Company. Shareholders and voluntary associations may submit communications on the following:

. Proposals to be presented in addition to the agenda announced in the call for the General Meeting.

. Requests for adherence to such proposals.

. Initiatives to attain a sufficient percentage to exercise minority rights pursuant to the Law.

. Offers or requests for voluntary representation.

E.5 Indicate whether the General Shareholders' Meeting is presided by the Chairman of the Board of Directors. List measures, if any, adopted to guarantee the independence and correct operation of the General Shareholders' Meeting:

YES

Details of measures
<p>The Regulations of the General Shareholders' Meeting regulate certain aspects relative to the announcement, preparation and development of the Shareholders' Meeting and the shareholders' rights in relation thereto.</p> <p>The Regulations are considered to be appropriate for guaranteeing the correct functioning of the Shareholders' Meeting.</p> <p>Since the Company was floated on the stock exchange, the Board of Directors of Ferrovial, S.A. has requested the presence of a notary to minute the Shareholders' Meeting and perform related functions, such as helping to organise the round of questions as the Meeting decides, and take note of or look after the statements that the shareholders wish to make.</p>

E.6 Indicate the amendments, if any, made to the General Meeting Regulations during the year.

The General Shareholders' Meeting of 30 March 2012 approved modifications to the following articles and sections of the Regulations of the General Shareholders' Meeting: 6 (Faculty and obligation of calling the General Meeting), 7 (Notice of the General Meeting), 8 (Availability of information on the Company's website after a meeting is called), 9 (Right to information prior to the General Shareholders' Meeting), 12 (Representation), 13 (Public application for representation), 22 (Right to information during the Meeting) and 27 (Disclosure of resolutions).

The purpose of the modifications was to adapt the wording of the Regulations to the new provisions of Law 25/2011 of 1 August, a statute that partially amends the Corporate Enterprises Act and implements Directive 2007/36/EC (the "Shareholders' Rights Directive").

Text of the amended articles as approved in the Ordinary General Meeting:

Article 6. Faculty and obligation of calling the General Meeting

1. General Shareholders' Meetings shall be called by the Board of Directors.
2. The Board of Directors shall call a General Meeting:
 - a) When appropriate pursuant to the provisions in Article 4 above for the ordinary General Meeting
 - b) When it is requested by a number of shareholders holding at least five per cent (5%) of the share capital, stating on the request the items to be discussed at the Meeting; in this case, the General Shareholders' Meeting must be called within two months following the date that the Directors were requested, by notarial means, to call it.
 - c) Whenever it deems it appropriate in the interest of the Company or whenever required by law.
3. The Board of Directors shall prepare the agenda, necessarily including the items that were the purpose of the request.
4. If the Ordinary General Meeting is not called within the legal period, then a Judge of the Mercantile Courts of the registered office can do so at the request of the shareholders and after hearing the directors.
5. In the event of death or removal of a majority of the members of the Board of Directors, there being no designated replacements, any shareholder may apply to the mercantile court corresponding to the company's registered office in order to request the call of a Shareholders' Meeting to appoint directors. Any remaining director may call a Shareholders' Meeting for that sole purpose.

Article 7. Notice of the General Meeting

1. Both Ordinary and Extraordinary General Shareholders' Meetings shall be called by publishing an announcement at least one month before the date scheduled for the meeting, unless the law establishes another call period, in which case that period shall rule. The call of the meeting must be announced using at least the following media:
 - a) The Official Bulletin of the Mercantile Register or one of the most widely-circulated newspapers in Spain.
 - b) The National Securities Market Commission's website.

c) The Company's website.

When the Company offers the shareholders the possibility of voting by electronic means, extraordinary General Shareholders' Meetings may be called with advance notice of at least fifteen days. The shorter call period will require an express agreement adopted by the Meeting by at least two-thirds of capital with voting rights and which will only be valid until such meeting is held.

2. The announcement shall indicate the name of the Company, the date, place and time of the meeting on first call, and the position of the person or persons publishing such announcement, all the items to be discussed, the date on which the shareholder must have his/her shares registered under his/her name to be able to participate and vote in the General Shareholders' Meeting, the place and manner in which the complete text of the documents and proposals can be obtained, the Company's website address where the information will be available, and any other issues which, where appropriate, must be included in the announcement pursuant to the provisions established in the law and the Regulations of the General Shareholders' Meeting. Furthermore, the announcement may also indicate the date on which the Meeting may be held on second call. At least twenty-four hours must elapse between the first and second meeting. To the extent possible, shareholders shall be advised of the greater probability of the Meeting being held on first or on second call.

3. The call shall clearly and concisely describe all the items to be discussed. When drawing up the agenda, the Directors may take into account any suggestions or proposals made in writing by the shareholders which, in relation to the Company's activities or interests, it may deem of interest for the Meeting.

4. Shareholders representing at least five per cent of the share capital may request that a supplement be published in addition to the call of an Ordinary General Meeting, including one or more items on the agenda, provided that such new items are accompanied by a justification or, where appropriate, a reasoned motion. For such purpose, such shareholders shall indicate the number of shares they own or represent. Exercise of this right shall be made by certified notice served at the corporate domicile of the Company within five days following publication of the call. The supplement to the call shall be published at least fifteen days before the date scheduled for the General Meeting. Failure to publish within the term established shall render the Meeting null and void in accordance with the law.

5. Shareholders representing at least five per cent of capital may, by the same deadline envisioned in the preceding section, present reasoned motions on items that are already on the agenda or which ought to be on the agenda for the scheduled General Meeting.

6. The provisions of this article shall be null and void whenever a legal provision establishes different requirements for Meetings held to discuss certain items, in which case any specific provisions shall be met.

7. The call shall mention the shareholders' right to examine the resolution proposals that are to be submitted to the Meeting for approval, the necessary or mandatory documents or reports and any others which, not being mandatory, are determined by the Directors in each case, at the registered office, to consult them on the Company's website and, as the case may be, to obtain them free of charge and immediately.

8. When calling each General Meeting, the governing body shall examine whether means of remote communication are available to enable shareholders to vote and/or delegate their vote, duly guaranteeing the identity of the party exercising its right to vote or, in the case of a delegation, the identity of the representative and the represented party, as well as the feasibility of using those means.

If the governing body determines that such means are available and may be used, it shall include on the call a description of the specific means of remote communication that the shareholders may use to exercise or delegate their vote, including the instructions that must necessarily be followed in this regard.

9. Subject to the foregoing, whenever the governing body is aware of the likely date on which the next General Meeting will be held, it may notify this particular on the Company's website or by any other means it deems appropriate.

Article 8. Availability of information on the Company's website after a meeting is called

1. Aside from the requirements established by law or in the Bylaws and pursuant to these Regulations, as from the date of publication of the call of a General Meeting, and until it is held, the Company shall publish without interruption on its website at least the following information:

a) The call of the Meeting.

b) The total number of shares and voting rights at the date of the call, broken down by class of shares, if there are classes.

c) The documents that will be presented to the General Meeting and, in particular, the reports from directors, auditors and independent experts.

d) The complete texts of the proposals or, in the event that there are none, a report by the competent bodies commenting on each item of the agenda. Proposals submitted by shareholders will be included as they are received.

e) The forms to be used for proxies and for distance voting, except when they are sent directly by the Company to each shareholder. In the event that the forms cannot be published on the website for technical reasons, the Company shall indicate on the website how shareholders can obtain the paper forms, which shall be sent to any shareholders on request.

2. Furthermore, as from the date the call is announced, the Company website shall include any information that is considered useful or appropriate to enable the attendance and participation of the shareholders at the Meeting, including, as the case may be and by way of illustration only, the following:

a) the procedure for obtaining an attendance card;

b) information on the place where the Meeting will be held and the way in which it may be reached and accessed;

c) instructions for attending the Meeting by any remote means provided, as the case may be, in the call of the Meeting, pursuant to the provisions established in the Bylaws and in these Regulations;

d) information, as the case may be, on any systems or procedures enabling the Meeting to be followed;

e) information on the Shareholder Assistance Department (telephone number, email, offices, working hours and other similar data).

3. An Electronic Shareholders' Forum will be created on the company's website with a view to facilitating communication prior to Shareholders' Meetings. The Forum will be accessible to individual shareholders and any voluntary associations of shareholders that are validly constituted and registered in the special register created at the National Securities Exchange Commission. In the Forum, shareholders may publish proposals they plan to present as supplements to the announced agenda, requests for support for such proposals, initiatives to reach the percentage required to exercise minority rights envisaged by law, and proxy offers or solicitations. The Board of Directors will establish the rules governing the working, scope and duration of the Forum, as well as the guarantees and conditions for access, registration, consultation and use, in accordance with current regulations.

Article 9. Right to information prior to the General Shareholders' Meeting

1. From the date of publication of the call of General Meeting and until the seventh day prior to the date on which the General Shareholders' Meeting is scheduled to be held, the shareholders may request any information or clarification that they consider pertinent, or ask written questions as they deem appropriate regarding the items included on the agenda, the information available to the public that the Company has filed with the National Securities Market Commission since the date on which the last Shareholders' Meeting was held, or regarding the auditor's report.

2. Directors shall be under the obligation of furnishing in writing any information requested pursuant to the provisions in the preceding paragraph up until the day when the General Meeting is held, except in the cases in which (i) the disclosure of the data requested may harm the interests of the Company; (ii) the request of information or explanation is not about items included on the agenda, in the auditor's report, or about the information available to the public that the Company has filed with the National Securities Market Commission since the date on which the last Shareholders' Meeting was held; (iii) the requested information or clarification is considered abusive; or (iv) when, prior to the formulation of that question, the information requested is clear and directly available to all shareholders on the Company's website as FAQs; or (v) is the result of legal or regulatory provisions or court decisions. However, the exception indicated under (i) above shall not apply when the request is supported by shareholders representing at least twenty-five per cent of the share capital.

3. The Board of Directors may empower any of its members, the Presidents of Board Commissions or the

Secretary to answer requests for information made by shareholders, in the name and on behalf of the Board.

4. The means for sending the information requested by shareholders shall be the same one used to submit the corresponding request, unless the shareholder indicates another means for such purpose from among those stated as suitable pursuant to the provisions in this article. In any case, Directors may send said information by certified mail with acknowledgement of receipt requested or by registered facsimile.

5. The Company may include on its website the information related to the answers given to shareholder's questions submitted in the exercise of their information right regulated herein.

Article 12. Representation

1. Notwithstanding attendance of legal entities that are shareholders through proxy, any shareholder entitled to attend may be represented at a Shareholders' Meeting through another person, even if not a shareholder.

2. Representation shall be conferred for each particular Meeting, in writing or by the remote communication means which, duly guaranteeing the identity of the represented party and the representative, are determined by the governing body, as the case may be, when serving call of each Meeting.

3. Prior to his/her appointment, the proxy must inform the shareholder in detail if there is a conflict of interest. If the conflict arises after the proxy is appointed and he/she did not warn the shareholder of its possible existence, the shareholder must be informed immediately. In both cases, if the proxy did not receive new voting instructions for each of the items on which he/she must vote on behalf of the shareholder, the proxy shall abstain from voting.

4. Representation is always revocable. As a general rule, and provided that the date may be ascertained, the last activity carried out by the shareholder before the Meeting shall be deemed valid. If this certainty cannot be obtained, the shareholder's vote shall prevail over any delegation. In any event, the personal attendance to the General Meeting by the represented party shall revoke any representation.

5. If the proxy-granting form does not set forth a specific person to whom the shareholder grants the proxy, such proxy will be deemed granted interchangeably to the Chairman of the Board of Directors, the Managing Director or the Secretary of the Board of Directors.

6. The Chairman, the Secretary of the Shareholders' Meeting, or the individuals appointed on their behalf, shall be entitled to determine the validity of the proxies conferred and the compliance of the attendance requirements for the Meeting.

7. The power of representation shall be understood as being subject to the provisions established by Law for cases of family representation and the granting of general powers of attorney.

8. In the event that the represented shareholder has issued instructions, the proxy must vote in accordance with them and is obliged to preserve those instructions for one year after the Shareholders' Meeting is held.

9. The proxy may represent more than one shareholder, without limitation to the number of shareholders he/she represents. When a proxy represents several shareholders, he/she may vote both for and against a motion, according to the instructions of each shareholder.

10. At all events, the number of shares represented shall be counted for the purposes of the quorum.

Article 13. Public application for representation

1. In those cases where the Company Directors themselves, the depositories of securities or the persons in charge of book entries request a representation on their behalf or on behalf of others and, in general, whenever an application is publicly made, the rules contained in the applicable legislation and implementing regulations shall apply. In particular, the proxy shall indicate how the representative shall vote in the absence of accurate instructions and in any event subject to the provisions established by Law. Delegations may also include any items

which, even if they are not stated on the agenda of the call of the Meeting, are discussed at the Shareholders' Meeting because the Law allows them to be discussed, and representatives may also vote in the manner they deem most appropriate for the interests of their principal in the event that no voting instructions were given in relation to items not included on the agenda.

2. A public application for representation shall be deemed to have been made whenever one same person holds the representation of more than three shareholders.

3. Pursuant to the provisions of the applicable legislation, a Director who is publicly appointed as representative cannot exercise the voting rights corresponding to the shares that are represented in respect of the items on the agenda in respect of which that Director is in a situation of conflict of interest, except where he/she has received specific voting instructions for each of those items as provided by law. At all events, the director will be considered to have a conflict of interests with respect to the following decisions:

- a) his/her appointment, re-appointment or ratification as a member of the Board of Director;
- b) his/her removal, separation or resignation as a member of the Board of Director;
- c) the exercise of Company action for liability against said Director; and
- d) the approval or ratification, where appropriate, of Company operations with that Director, with companies controlled by, represented by or acting on behalf of that Director.

Considering the possibility of such conflict arising, representation could be conferred to another person alternatively and subsidiarily.

Article 22. Right to information during the Meeting

1. During the intervention turn, shareholders may orally request the information or explanations they consider necessary on the items included on the agenda, or about the information available to the public furnished by the Company to the National Securities Market Commission since the last Shareholders' Meeting was held, or about the auditors' report. To do so, the shareholder must first identify himself/herself pursuant to the provisions in article 20 above.

2. The Directors shall be under the obligation of furnishing the requested information, pursuant to the preceding paragraph in the way and within the terms prescribed by the law, except in cases where (i) the disclosure of the data requested may harm the interests of the Company, in the opinion of the Chairman; (ii) the request of information or explanation does not refer to items included on the agenda, to the information available to the public that the Company has been filed with the National Securities Market Commission since the date on which the last Shareholders' Meeting was held, or to the auditor's report; (iii) the requested information or clarification is unnecessary in order to form an opinion on the issues submitted to the Meeting or for any reason it is considered abusive; (iv) when, prior to the formulation of that question, the information requested is clear and directly available to all shareholders on the Company's website as FAQs; or (v) is the result of legal or regulatory provisions or court decisions. However, the exception indicated under (i) above shall not apply when the request is supported by shareholders representing at least twenty-five per cent of the share capital.

3. The requested information or explanation shall be provided by the Chairman or, otherwise, and when indicated by the Chairman, by the Managing Director, the Presidents of the Board Commissions, the Secretary, any of the Directors or, when deemed convenient, by any employee or expert on that matter.

4. In the event it is not possible to satisfy the right of the shareholder during the Meeting, the Directors shall provide, in writing, the requested information to the shareholder involved within seven days following the end of the Meeting.

Article 27. Disclosure of resolutions

Notwithstanding the recording with the Mercantile Registry of the resolutions that can be recorded and the legal provisions applicable regarding the disclosure of Company resolutions, the Company shall report the approved resolutions to the National Securities Market Commission, by means of the appropriate notice of a significant disclosure, either literally or by means of by a summary of its contents. Moreover, the approved proposals and the voting results shall be published in their entirety on the company's website within five days after the Shareholders' Meeting. The text of the resolutions corresponding to the Meetings held during the current year and the previous year shall likewise be available on the Company's website. Also, upon request by a shareholder or the shareholder's representative at the Shareholders' Meeting, the Secretary shall issue a certification of the resolutions or of the minutes, notarial when applicable.

E.7 Indicate the attendance figures for the General Shareholders' Meetings held during the year.

Attendance data					
Date of general meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
30/03/2013	1.289	66.013	0.000	0.000	67.302

E.8 Briefly indicate the resolutions adopted at the General Shareholders' Meetings held during the year and the percentage of votes with which each resolution was adopted.

FIRST ITEM ON THE AGENDA.

EXAMINATION AND APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS – BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CHANGES IN NET ASSETS, CASH FLOW STATEMENT AND ANNUAL REPORT - AND THE INDIVIDUAL MANAGEMENT REPORT OF FERROVIAL, S.A. AND THE CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT OF THE CONSOLIDATED GROUP WITH RESPECT TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2011.

Votes in favour: 491,873,169 shares (99.6368%)
 Votes against: 1,624,145 shares (0.3290%)
 Abstentions: 132,377 shares (0.0268%)
 Unmarked ballots: 0 unmarked ballots

SECOND ITEM ON THE AGENDA.

APPLICATION OF RESULTS AND DISTRIBUTION OF DIVIDENDS.

2.1. PROPOSED APPLICATION OF RESULTS FOR FINANCIAL YEAR 2011.

Votes in favour: 490,640,324 shares (99.3870%)
 Votes against: 2,856,733 shares (0.5787%)
 Abstentions: 132,634 shares (0.0269%)
 Unmarked ballots: 0 unmarked ballots

2.2. DISTRIBUTION OF DIVIDENDS CHARGED AGAINST VOLUNTARY RESERVES.

Votes in favour: 490,640,324 shares (99.3870%)
 Votes against: 2,856,733 shares (0.5787%)
 Abstentions: 132,634 shares (0.0269%)
 Unmarked ballots: 0 unmarked ballots

THIRD ITEM ON THE AGENDA.

EXAMINATION AND APPROVAL OF THE MANAGEMENT OF THE BOARD OF DIRECTORS CARRIED OUT IN FINANCIAL YEAR 2011.

Votes in favour: 488,990,947 shares (99.0529%)
 Votes against: 1,626,125 shares (0.3294%)
 Abstentions: 3,012,619 shares (0.6103%)
 Unmarked ballots: 0 unmarked ballots

FOURTH ITEM ON THE AGENDA.

AMENDMENT OF THE COMPANY BYLAWS.

4.1 AMENDMENTS OF ARTICLES 26 (ENTITLEMENT AND OBLIGATION TO CALL MEETINGS), 27 (CALL OF THE GENERAL MEETING), 29 (REPRESENTATION IN THE GENERAL MEETING), 35 (RIGHT TO INFORMATION), 46 (MEETINGS OF THE BOARD), 57 (BOARD OF DIRECTORS REMUNERATION), 59 (WEB PAGE), INCLUDING THE CREATION OF A CORPORATE WEBSITE, 62 (VERIFICATION OF THE ANNUAL ACCOUNTS) AND 67 (LIQUIDATION) OF THE BYLAWS IN ORDER TO ADAPT THEIR CONTENT TO THE AMENDMENTS INTRODUCED BY (I) ACT 25/2011, OF 1 AUGUST, AND (II) ACT 2/2011, OF 4 MARCH, ON SUSTAINABLE ECONOMY.

Votes in favour: 492,046,405 shares (99.6719%)
Votes against: 1,449,003 shares (0.2935%)
Abstentions: 134,283 shares (0.0272%)
Unmarked ballots: 0 unmarked ballots

4.2. AMENDMENT OF ARTICLE 54 (TERM) OF THE BYLAWS IN ORDER TO ELIMINATE THE AUTOMATIC TIME LIMIT FOR INDEPENDENT DIRECTORS

Votes in favour: 438,866,729 shares (88.8995%)
Votes against: 50,078,345 shares (10.1442%)
Abstentions: 4,684,617 shares (0.9489%)
Unmarked ballots: 0 unmarked ballots

FIFTH ITEM ON THE AGENDA.

AMENDMENT OF THE REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING: 6 (FACULTY AND OBLIGATION OF CALLING THE GENERAL MEETING), 7 (NOTICE OF THE GENERAL MEETING), 8 (AVAILABILITY OF INFORMATION ON THE COMPANY'S WEBSITE AFTER A MEETING IS CALLED), 9 (RIGHT TO INFORMATION PRIOR TO THE GENERAL SHAREHOLDERS' MEETING), 12 (REPRESENTATION), 13 (PUBLIC APPLICATION FOR REPRESENTATION), 22 (RIGHT TO INFORMATION DURING THE MEETING) AND 27 (DISCLOSURE OF RESOLUTIONS) IN ORDER TO ADAPT THE TEXT TO THE AMENDMENTS INTRODUCED BY ACT 25/2011, OF 1 AUGUST.

Votes in favour: 493,439,196 shares (99.9540%)
Votes against: 56,612 shares (0.0115%)
Abstentions: 133,883 shares (0.0271%)
Unmarked ballots: 0 unmarked ballots

SIXTH ITEM ON THE AGENDA.

APPROVAL OF THE PARTICIPATION OF MEMBERS OF SENIOR MANAGEMENT AND MEMBERS OF THE BOARD OF DIRECTORS WITH EXECUTIVE FUNCTIONS IN A REMUNERATION SYSTEM COMPRISING THE POSSIBILITY OF PAYMENT OF PART OF THEIR VARIABLE REMUNERATION CORRESPONDING TO FINANCIAL YEARS 2011 TO 2015 IN THE FORM OF COMPANY SHARES.

Votes in favour: 493,466,488 shares (99.9595%)
Votes against: 26,194 shares (0.0053%)
Abstentions: 136,626 shares (0.0277%)
Unmarked ballots: 383 unmarked ballots (0.0001%)

SEVENTH ITEM ON THE AGENDA.

DELEGATION OF POWERS FOR FORMALISATION, REGISTRATION AND EXECUTION OF RESOLUTIONS PASSED BY THE GENERAL MEETING, AND EMPOWERMENT TO FORMALISE DEPOSIT OF THE ANNUAL FINANCIAL STATEMENTS MENTIONED IN ARTICLE 279 OF THE CORPORATE ENTERPRISES ACT.

Votes in favour: 493,472,423 shares (99.9608%)
Votes against: 21,280 shares (0.0043%)
Abstentions: 135,988 shares (0.0275%)

Unmarked ballots: 0 unmarked ballots

EIGHTH ITEM ON THE AGENDA (ADVISORY VOTE)

ANNUAL REPORT ON DIRECTORS' REMUNERATION (ARTICLE 61 TER OF THE SECURITIES MARKET ACT)

Votes in favour: 437,382,493 shares (88.5988%)

Votes against: 47,623,971 shares (9.6470%)

Abstentions: 8,623,227 shares (1.7468%)

Unmarked ballots: 0 unmarked ballots

E.9 Indicate whether the bylaws impose any minimum requirement on the number of shares required to attend the General Shareholders' Meetings.

YES

Number of shares required to attend the General Shareholders' Meetings	100
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E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the General Shareholders' Meeting.

The rights of shareholders to be represented at the Shareholders Meeting are regulated in article 29 of the Bylaws and articles 12 and 13 of the Regulations of the General Shareholders' Meeting. These regulations are considered to adequately guarantee shareholders' rights to be represented at the meeting and to delegate their votes.

E.11 Indicate whether the company is aware of the policy of institutional investors on whether or not to participate in the company's decision-making processes.

NO

E.12 Indicate the address and method for accessing corporate governance content on your company's website.

The Company's website, www.ferrovial.com, has a home page link giving access to the Corporate Governance section.

The Corporate Governance section can also be accessed through the "IR & Shareholders" section.

The website conforms to the form and content regulated by CNMV Circular 1/2004, dated 17 March, and the provisions of article 11 bis of the Revised Text of the Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010, of 2 July.

F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with Corporate Governance recommendations. Should the

company not comply with any of them, explain the recommendations, standards, practices or criteria the company applies.

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

See sections: A.9, B.1.22, B.1.23 and E.1, E.2.

Complies

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

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

See sections: C.4 and C.7

Not applicable

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

- a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;
- b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
- c) Operations that effectively add up to the company's liquidation

Complies partially

It is assumed, and this has been included in its Regulations, that the powers of the Shareholders' Meeting include that of expressing its opinion on the subject matter of this Recommendation, with the exception of paragraph b), since it is considered that its adoption would mean a significant difficulty in the possible performance of corporate transactions, besides which it is understood that the concept "fundamental corporate change" carries with it an element of lack of security and definition.

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Complies

5. Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) The appointment or ratification of directors, with separate voting on each candidate;
- b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Complies

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders;

fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The board should see the core components of its mission as to approve the company's strategy and authorise the organisational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

a) The company's general policies and strategies, and, in particular:

- i) The strategic or business plan, management targets and annual budgets;
- ii) Investment and financing policy;
- iii) Design of the structure of the corporate group;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy;
- vi) Remuneration and evaluation of senior officers;
- vii) Risk control and management, and the periodic monitoring of internal information and control systems;
- viii) Dividend policy, as well as the policies and limits applying to treasury stock.

See sections: B. 1.10, B1.13, B1.14 and D.3

b) The following decisions:

- i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See section: B. 1.14.

- ii) Directors' remuneration, and, in the case of executive directors, the additional remuneration for their management duties and other contract conditions.

See section: B. 1.14.

- iii) The financial information that all listed companies must periodically disclose.

- iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;

- v) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form contracts applied on an across-the-board basis to a large number of clients;
2. They go through at market rates, generally set by the person supplying the goods or services;
3. Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C.1 and C.6

Complies partially

However, in relation to the provisions of section b.i) the Board of Directors considers that the decision regarding the appointment and possible dismissal of Senior Managers should be the responsibility of the Company's Chief Executive Officer. Despite this, the Regulations of the Board of Directors confer powers on the Nomination and Remuneration Committee for drawing up reports prior to the appointment and removal from office of Senior Managers who report directly to the Chief Executive Officer.

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1.

Complies

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.2, A.3, B.1.3 and B.1.14

Complies

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See section: B.1.3.

Complies

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.
2. In companies with a plurality of shareholders represented on the board but not otherwise related.

See sections: B.1.3, A.2 and A.3

Complies

13. The number of independent directors should represent at least one third of all board members.

See section: B.1.3.

Complies

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See sections B.1.3 and B.1.4

Complies

15. When women directors are few or non-existent, the board should state the reasons for this situation and the

measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

- a) The process of filling board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See sections B.1.2, B.1.27 and B.2.3

Complies partially

The Board of Director presently has one woman among its twelve members. Further, the Nomination and Remuneration Committee has the task of ensuring that, in any selection processes, there is no implicit bias against women candidates owing to personal circumstances.

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.

See section B.1.42

Complies

17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.

See section B.1.21

Complies partially

Recommendation 17 is actually comprised of a set of recommendations, the majority of which Ferrovial complies with.

The only point in which the Company does not comply with the Recommendation is that the Lead Director does not have the duty of leading the Board's evaluation of the Chairmen. The Company believes that this role must be fulfilled by the Board on the basis of a report from the Nomination and Remuneration Committee.

18. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.

See section: B.1.34.

Complies

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.1.29.

Complies

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.1.28 and B.1.30.

Complies

21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Complies

22. The board in full should evaluate the following points on a yearly basis:
- a) The quality and efficiency of the board's operation;
 - b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;
 - c) The performance of its committees on the basis of the reports furnished by the same.

See section: B.1.19.

Complies partially

The Company complies with the recommendation and evaluates the quality and efficiency of the Board's operation, the performance of the Chairman and the Chief Executive of the Company and the performance of its committees.

However, the Board believes that it is sufficient and more practical for the periodicity of these evaluations to be every two years rather than annually.

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B.1.42.

Complies

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See section: B.1.41.

Complies

25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise

Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;
- b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Complies partially

The Board of Directors does not consider it necessary to adopt the recommendation that urges the Company to limit the number of Boards to which a Director may belong, since it understands that control over this matter is sufficiently well preserved with the function performed by the Nomination and Remuneration Committee for reviewing the professional commitments of each Board Member.

27. The proposal for the appointment or renewal of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:

- a) On the proposal of the Nomination Committee, in the case of independent directors.
- b) Subject to a report from the Nomination Committee in all other cases.

See section: B.1.2.

Complies

28. Companies should post the following director particulars on their websites, and keep them permanently updated:

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

Complies

29. Independent directors should not stay on as such for a continued period of more than 12 years.

See section: B.1.2.

Explain

The experience of recent years and the personal and professional circumstances of the Directors of the Company that have been or could be affected by the 12-year time limit have revealed that the length of time that they hold office does not necessarily negatively impact their independence; on the contrary, it can contribute, due to their greater experience and knowledge of the Company, to improved performance of their duties.

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

See sections: A.2, A.3 and B.1.2.

Complies

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Complies

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

The moment a director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Act, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose and explain all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44.

Complies

33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the board, director or otherwise.

Complies

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5.

Not applicable

35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

a) The amount of the fixed components, itemised, where necessary, of board and board committee attendance fees, with an estimate of the fixed annual remuneration they give rise to.

b) Variable components, in particular:

i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items;

ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;

iii) The main parameters and grounds for any system of annual bonuses or other non-cash benefits; and

iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) The conditions to apply to the contracts of executive directors exercising senior management functions, among them:

i) Duration;

ii) Notice periods; and

iii) Any other clauses covering hiring bonuses, as well as indemnities or "golden parachutes" in the event of early termination of the contractual relation between company and executive director.

See section: B.1.15.

Complies partially

The Board of Directors believes that forecasting in advance the estimated variable remunerations may be an unnecessary constraint with disruptive effects when determining the real variable remuneration of the Directors.

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See sections: A.3 and B.1.3

Explain

The Company has had a system of mandatory investment in Company shares since 2003. At present, it consists of the obligation of devoting just one of the three components of board remuneration that is received in cash to the purchase of Company shares.

This commitment to invest part of their remuneration in Ferrovial shares applies to all the members of the Board of Directors; directors may thus dispose of those shares acquired prior to leaving their position and provided that three full financial years have elapsed since the financial year in which the purchase of such shares occurred.

37. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Complies

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

Complies

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Complies

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See section B.1.16

Complies partially

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

- a) A breakdown of the compensation obtained by each company director, to include where appropriate:
 - i) Participation and attendance fees and other fixed directors payments;
 - ii) Additional compensation for acting as chairman or member of a board committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
 - iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;
 - v) Any severance packages agreed or paid;
 - vi) Any compensation they receive as directors of other companies in the group;
 - vii) The remuneration executive directors receive in respect of their senior management posts;
 - viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.
- b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemised by:
 - i) Number of shares or options awarded in the year, and the terms set for their execution;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.
- c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Complies

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See sections: B.2.1 and B.2.6.

Complies

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

Complies

44. In addition to the Audit Committee mandatory under the Securities Market Act, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

- a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;
- b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.
- c) Committees should be chaired by an independent director.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings should be minuted and a copy of the minutes sent to all board members.

See sections: B.2.1 and B.2.3.

Complies

45. The job of supervising compliance with internal rules of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

Complies

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

Complies

48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies

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

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

See sections: D

Complies

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
- c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the external auditor:

- a) Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.
- b) Receive regular information from the external auditor on the progress and findings of the audit programme and check that senior management are acting on its recommendations.
- c) Monitor the independence of the external auditor, to which end:
 - i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;
 - iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.
- d) In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.

See sections: B.1.35, B2.2, B2.3 and D.3

Complies partially

In relation to accepting the recommendation concerning the possible existence of disagreements with the outgoing auditor and, if any, explaining them, the Board of Directors considers that this statement represents a strain factor in possible episodes involving a change of auditor and a restricting element in the decision-making capacity of the Company in respect of changing its external auditor.

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

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

- a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
- c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3.

Complies

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: B.1.38.

Complies

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See section: B.2.1.

Complies

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3.

Complies

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

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Complies

57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Make proposals to the Board of Directors regarding:
 - i) The remuneration policy for directors and senior officers;
 - ii) The individual remuneration and other contractual conditions of executive directors.
 - iii) The standard conditions for senior officer employment contracts.
- b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14 and B.2.3.

Complies partially

It should be indicated that the function of making proposals to the Board on the individual remuneration of Board members and other conditions in their contracts should remain with the Chairman or the Chief Executive or that, consequently, the role of the Nomination and Remuneration Committee should continue to be to report.

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies

G - OTHER INFORMATION OF INTEREST

If you consider that there is any material aspect or principle relating to the corporate governance practices followed by your company that has not been addressed in this report, indicate and explain below.

CODE OF GOOD TAX PRACTICES

At its meeting of 25 November 2010, the Board of Directors resolved that Ferrovial would adhere to the Code of Good Tax Practices. The adhesion was reported to the Spanish Tax Agency on 7 February 2011.

In accordance with the provisions of the Code of Good Tax Practices, it is expressly stated that Ferrovial has effectively complied with the content of the same, particularly:

1. No opaque structures shall be used for the purposes of preventing knowledge by the Spanish Tax Agency of entities that ultimately engage in business activities or who own rights or goods involved.
2. It collaborates with the Tax Agency in the detection and search for fraudulent tax practices that may occur in markets where the group operates and provide any information requested.
3. In its meeting of 19 February 2013, the Board of Directors of Ferrovial was briefed on the tax policies applied by the Group in the 2012 financial year.
4. In transactions and matters that have been submitted to the approval of the Board of Directors during the 2012 financial year, the Board has been briefed on the tax consequences of the same when they have become a material factor.

SECTION A.3

The Directors Rafael and Maria del Pino y Calvo-Sotelo, as well as Leopoldo and Joaquín del Pino y Calvo-Sotelo (representing the Directors Portman Baela, S.L. and Karlovy, S.L., respectively) are part of the "family group" that indirectly controls the Company's capital, as indicated in section A.4.

It has been recorded that the number of indirect voting rights of Karlovy, S.L. is 0 (zero) for the sole purpose of preventing the computer application from counting twice the shares held directly by Portman Baela, S.L. (company controlled by Karlovy, S.L. as per the meaning in article 4 of the Securities' Market Act). Notwithstanding the foregoing, the second table in section A.3 herein shows that Karlovy, S.L. indirectly holds 319,912,186 shares through Portman Baela, S.L.

On 9 August 2012, the General Meeting of the company Polar Capital, B.V. resolved to change its company name to Rijn Capital, B.V.

In the following note on Directors' remuneration, information is provided on remuneration systems that have given rise to allocations of shares to Executive Directors.

SECTION A.7

Although the direct and indirect stake held by Karlovy, S.L. through Portman Baela S.L. (43.614% as at 31 December 2012) does not imply control pursuant to article 42 of the Commerce Code, to which article 4 of the Securities Market Act refers, the present situation is a de facto continuation of the situation that existed in Grupo Ferrovial S.A. prior to its merger with Cintra Concesiones de Infraestructuras de Transporte, S.A. ('Cintra').

As declared on the "Voting rights notification" form lodged with the CNMV and with the Company on 22 May 2012, the family group consisting of María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo has control, according to the meaning in article 4 of the Securities Market Act, through Karlovy, of a majority of the capital of Portman. Portman owns 43.61386% of the share capital of Ferrovial. Karlovy, in turn, has a direct shareholding of 0.00158% in Ferrovial. The family group comprising the foregoing persons controls 43.615% of the share capital of Ferrovial through Karlovy and Portman. According to the aforementioned notification, the direct and indirect shares of all members of the family group – namely, María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo, and Karlovy, S.L. and Portman Baela, S.L. – totalled 329,328,707 shares, representing 44.898% of the capital of Ferrovial.

SECTION B.1.2

The chart indicates the date of the first appointment of the Directors of Ferrovial, S.A., the entity resulting from the merger between Grupo Ferrovial S.A. and Cintra Concesiones de Infraestructuras de Transporte S.A. in 2009. However, the dates of the first appointment to the Board of the Directors of the former Grupo Ferrovial S.A. which Ferrovial continues to declare are as follows:

Rafael del Pino y Calvo-Sotelo: 9/1/1992

Santiago Bergereche Busquet: 23/2/1999

Joaquín Ayuso Garcia: 22/3/2002

Íñigo Meirás Amusco: 20/10/2009

Jaime Carvajal Urquijo: 23/2/1999

Portman Baela, S/L: 26/6/2000

Juan Arena de la Mora: 26/6/2000

Gabriele Burgio: 31/5/2002

Maria del Pino y Calvo-Sotelo: 29/9/2006

Santiago Fernandez Valbuena: 29/5/2008

The Directors Jose Fernando Sanchez-Junco and Karlovy S.L. were not on the Board of Directors of Grupo Ferrovial, S.A.

SECTION B.1.3

Jaime Carvajal regained the status of Independent Director upon the removal of the 12-year time limit on independent director status provided in article 54.3 of the Bylaws and article 30.3c) of the Regulations of the Board of Directors.

SECTION B.1.11

The amount specified as "insurance premiums" are for insurance policies to cover risks of death of which the beneficiaries are solely the Executive Directors.

The following shows, as in the Annual Report of the Company and its annual Remuneration Report on Directors' remuneration, the individualized remuneration of a statutory nature earned by members of the Board of Directors in 2012, calculated as described in section B.1.14.

(in €)

Rafael del Pino y Calvo-Sotelo

- Fixed remuneration: €35,000

- Per diems: €86,000.00

- Remainder: €105,030.45

- Total: €226,030.45

Santiago Bergereche Busquet

- Fixed remuneration: €35,000

- Per diems: €48,500.00

- Remainder: €91,901.65

- Total: €175,401.65

Joaquín Ayuso Garcia

- Fixed remuneration: €35,000

- Per diems: €43,000.00

- Remainder: €65,644.03

- Total: €143,644.03

Inigo Meiras Amusco

- Fixed remuneration: €35,000

- Per diems: €43,000.00

- Remainder: €52,515.23

- Total: €130,515.23

Jaime Carvajal Urquijo

- Fixed remuneration: €35,000

- Per diems: €47,500.00

- Remainder: €52,515.23

- Total: €135,015.23

Portman Baela, S.L.

- Fixed remuneration: €35,000

- Per diems: €45,000.00

- Remainder: €52,515.23

- Total: €132,515.23

Juan Arena de la Mora

- Fixed remuneration: €35,000

- Per diems: €62,500.00

- Remainder: €52,515.23

- Total: €150,015.23

Gabriele Burgio

- Fixed remuneration: €35,000

- Per diems: €55,000.00

- Remainder: €52,515.23

- Total: €142,515.23

Maria del Pino y Calvo-Sotelo

- Fixed remuneration: €35,000

- Per diems: €40,000

- Remainder: €52,515.23

- Total: €127,515.23

Santiago Fernandez Valbuena

- Fixed remuneration: €35,000

- Per diems: €41,000

- Remainder: €52,515.23

- Total: €128,515.23

José Fernando Sánchez-Junco Mans

- Fixed remuneration: €35,000

- Per diems: €40,000

- Remainder: €52,515.23

- Total: €127,515.23

Karlovy, S.L.

- Fixed remuneration: 35.000,00

- Per diems: €33,000.00

- Remainder: €52,515.23

- Total: €120,515.23

TOTAL FIXED REMUNERATION: €420,000.00

TOTAL PER DIEMS: €584,500.00

TOTAL REMAINDER: €735,213.18

TOTAL STATUTORY REMUNERATION OF THE BOARD OF DIRECTORS: €1,739,713.18

Directors' individual remuneration is also announced (€ thousand)

Rafael del Pino y Calvo-Sotelo:

- Fixed remuneration: 1,150.0

- Variable remuneration: 1,970

- Boards of subsidiaries: 0
- Exercise of stock options: 318.6
- Total: 3,438.6

Joaquín Ayuso García:

- Fixed remuneration: 900.0
- Variable remuneration: 848.0
- Boards of subsidiaries: 46.9
- Exercise of stock options: 318.2
- Total: 2,113.1

Íñigo Meirás Amusco:

- Fixed remuneration: 950.0
- Variable remuneration: 1,770.0
- Boards of subsidiaries: 0
- Exercise of stock options: 127.5
- Total: 2,847.4

TOTAL 2012: 8,399.1

IN-KIND REMUNERATION

Life insurance premiums in 2012:

- Rafael del Pino y Calvo-Sotelo: 4.7
- Joaquín Ayuso García: 5.7
- Íñigo Meirás Amusco: 3.0

TOTAL: 13.3

Joaquín Ayuso ceased performing executive functions as of 29 November 2012. In compensation for the loss of his status as a Senior Manager of the Company and the resulting termination of the senior management relationship, he was paid a gross amount of €8,100,000 (an amount subject in full to personal income tax).

B.1.12

As in previous years, the remuneration paid to executive staff in 2012 has been itemised, broken down by type:

- Fixed remuneration: €4,431.7 thousand
- Variable remuneration: €5,348.6 thousand
- Share options and/or other financial instruments: Exercise of remuneration rights referenced to stock values: Stock option plans: €1,386.8 thousand
- From membership of boards of directors of other group companies, multi-group or associated companies: €24.5 thousand
- Loans: No loans were granted and no repayments made of loans granted.
- Life insurance premiums: €19.7 thousand.
- No contributions were made to pension plans or funds during the year and no obligations of this kind were assumed in 2012.

These amounts do not include the remuneration paid to senior management members who are or have been Executive Directors, which have been listed in Section B.1.11.A). Finally, in 2012, payments in compensation for termination of contact of €2,274.3 thousand were made.

The Company has also implemented a system of flexible remuneration that offers employees the opportunity to voluntarily modify their remuneration package by replacing part of their fixed remuneration with the delivery of certain remunerations in kind. These products include a collective life insurance and savings policy related to retirement, regarding which the participants in the policy can request that a part of their gross annual remuneration be paid by the Company, as a premium, towards a collective life insurance and savings policy related to retirement. For this item, senior management has requested contributions from the Company to the value of €301.5 thousand to substitute the aforementioned remuneration.

INFORMATION ON SHARE-LINKED REMUNERATION PLANS

Stock option plans

Under the merger between Grupo Ferrovial and Cintra in 2009 and in accordance with the terms of the Merger Plan, the company resulting from the merger, Ferrovial S.A. succeeded the former Grupo Ferrovial as the entity subject to the

obligations of said plans. Rights under the stock option plan were automatically converted into options on the stock of Ferrovial S.A. in the terms resulting from the swap equation set forth in said Plan.

In 2004, the General Shareholders' Meeting authorised a remuneration system consisting of a stock option plan for members of the Board of Directors who exercised executive functions and those who exercised senior management functions reporting directly to the Board or to the Board committees.

In 2006 and 2008, the General Shareholders' Meeting approved two new stock option plans with the same beneficiaries. Detailed information is provided on all these plans in the Note to the Annual Report on the share-linked remuneration plans.

Modification of stock option plans

In 2008, the Board of Directors agreed to modify the stock option plans approved through 2007 by extending the execution period from three to five years, as established in the subsequent plans (2007 and 2008). With regard to the stock option plans whose beneficiaries are executive directors or senior managers belonging to the company's Management Committee or who report directly to the Board of Directors or its delegated bodies, the validity of the modification was submitted for the approval of the Company's General Shareholders' Meeting.

Performance-based share delivery plan

On 17 December 2009, the Board of Directors approved a remuneration plan consisting of the delivery of shares in Ferrovial S.A. The total number of shares that may be delivered annually under this Plan may not exceed 2,420,000 representing 0.33% of the share capital of Ferrovial S.A.

It consists of the assignment to earnings of a number of units that will serve as the basis for determining the final number of shares they may receive as a result of participating in the Plan.

The Plan has been in effect for three years and annually assignments of units have been made in 2010, 2011 and 2012. Shares shall be delivered in the year of the third anniversary of the assignment of the pertinent units.

Delivery shall depend on continued employment in the company for a period of three years (except for special circumstances) and the attainment in that period of the maturity in fees calculated according to the flow of activity and the EBITDA/net productive assets ratio.

The Plan is for both Senior Managers and members of the Board of Directors of Ferrovial, S.A. who perform executive functions and those who perform senior management functions and report directly to the Board and its delegated bodies. The CNMV was informed of the terms of the Plan on 13 January 2010. The application of this programme to senior management was approved by the General Shareholders' Meeting of 29 June 2010.

The CNMV was informed of the individual allocations made under this plan to senior management and executive board members on 5 July 2010, 10 March 2011 and 23 February 2012.

Below is the number of units allocated to Executive Directors under the Plan:

2010 allocation:

Rafael del Pino y Calvo-Sotelo:

- Units: 150,000
- Number of voting rights: 150,000
- % of voting rights: 0.020%

Joaquín Ayuso García:

- Units: 50,000
- Number of voting rights: 50,000
- % of voting rights: 0.007%

Íñigo Meirás Amusco:

- Units: 150,000
- Number of voting rights: 150,000
- % of voting rights: 0.020%

2011 allocation:

Rafael del Pino y Calvo-Sotelo:

- Units: 132,000
- Number of voting rights: 132,000
- % of voting rights: 0.018%

Íñigo Meirás Amusco:

- Units: 132,000
- Number of voting rights: 132,000
- % of voting rights: 0.018%

2012 allocation:

Rafael del Pino y Calvo-Sotelo:

- Units: 122,000
- Number of voting rights: 122,000
- % of voting rights: 0.017%

Íñigo Meirás Amusco:

- Units: 122,000
- Number of voting rights: 122,000
- % of voting rights: 0.017%

II Performance-based share delivery plan.

On 19 December 2012, the Board of Directors approved a new remuneration plan consisting of the delivery of shares in Ferrovial S.A. The total number of shares that may be delivered annually under this Plan may not exceed 1,900,000 representing approximately 0.26% of the share capital of Ferrovial S.A.

The Plan is for both executives and members of the Board of Directors of Ferrovial, S.A. who perform executive functions and those who perform executive management functions reporting directly to the Board or its delegated bodies.

The CNMV was informed of the terms of the Plan on 9 January 2013. The application of this programme to Executive Directors and senior management is to be submitted to the General Shareholders' Meeting.

The awarding of the shares shall take place annually over a three-year cycle.

Delivery shall depend on continued employment in the Company for a period of three years (except for special circumstances) and the attainment in that period of a number of targets associated with: (i) the flow of activity; (ii) the EBITDA/net productive assets ratio; and (iii) the total shareholder return in relation to a comparison group.

Other information on remuneration.

The contracts between the Company and members of its Senior Management, including one Executive Director, envisage expressly their entitlement to receive the severance payments established in Article 56 of the Workers' Statute in the event of wrongful dismissal.

Similarly, eleven members of Senior Management including two Executive Directors, with a view to fostering loyalty on their part and permanent allegiance to the Company, are recognised as being entitled to deferred remuneration. This extraordinary remuneration would be payable only in the event of any of the following circumstances:

- Termination of the relationship by mutual agreement when the Senior Manager reaches a certain age.
- Unjustified dismissal or abandonment of the Company on the latter's initiative without justification for dismissal, prior to the senior executive reaching the age initially agreed upon, if the aforementioned amount exceeded that resulting from applying the Workers Statute.
- Death or invalidity of the Senior Manager.

To cover this incentive each year, the Company contributes to a mutual savings insurance policy, of which the Company itself is both policyholder and beneficiary, quantified according to a certain percentage of the total monetary remuneration of each senior executive.

Contributions for this item in 2012 totalled €2,580.6 thousand, of which €1,060.7 thousand correspond to Executive Directors.

SECTION B.1.13

Companies in the Ferrovial Group occasionally hire non-senior managers, mainly foreigners, under contracts that include providing severance pay in the event of wrongful dismissal.

The contracts of two members of senior management contain further rights in their favour, including obligations of early notice by the Company in the event of wrongful dismissal.

SECTION B.1.16

In forming the remunerative structure of the management team, including Executive Directors, the Company has sought external advice and consultancy whenever this has been necessary for analysing formulas or schemes that make the remuneration of Ferrovial's Senior Management appropriate, the aim being always to attract and retain talent.

On the other hand, the Company uses reports drawn up by external consultants for making comparisons with outside firms with a similar size and structure, and for guaranteeing that the remuneration offered by Ferrovial is competitive.

SECTION B.1.25

The age limit of 65 years for the Chairman applies when the Chairman is an executive.

SECTION B.1.39

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

SECTION C- NOTES ON RELATED-PARTY OPERATIONS

In accordance with the Regulations of the Board of Directors of Ferrovial, all transactions carried out with controlling shareholders, directors or members of senior management as well as their related parties shall require Board authorisation, based on a report by the Audit and Control Committee.

The most relevant arm's length transactions with related parties effected in 2012 in the ordinary course of the Company's and its group's business are indicated below.

The Company provides information about related-party transactions, in accordance with the definitions and criteria laid down in the Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, and Circular 1/2008 of the CNMV, of 30 January.

SECTION C.1: TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS

A breakdown of the most relevant transactions effected in 2012 with significant shareholders, with members of the "controlling family group" (except for the individuals who are also Board members of the Company or representatives of Board members, who are included in the following section) and entities related through shareholdings to persons from the "controlling family group", as indicated in the section on company ownership structure is given below:

(€ thousand)

Ferrovial Agroman S.A. / subsidiaries

- Construction work: €137 thousand

Ferrovial Servicios S.A. / Subsidiaries

- Integrated office management services in Madrid: €459 thousand

- Integrated office management services in Madrid: €2 thousand

SECTION C.2: TRANSACTIONS WITH DIRECTORS AND SENIOR MANAGEMENT

The transactions carried out in 2012 with Directors, representatives of Directors and Senior Management of the Company are listed below. Further, note is made of the transactions with companies which have been deemed related parties (if they were only part of the period, the transactions during that period are indicated):

(€ thousand)

Rafael del Pino y Calvo-Sotelo

Ferrovial Servicios S.A. / Subsidiaries

- Cleaning and maintenance services: €15 thousand

Related party related to Íñigo Meirás

Ferrovial Servicios S.A. / Subsidiaries

- Gardening and maintenance services: €31 thousand

Álvaro Echániz and related party

Ferrovial Inmobiliaria, S.A.

- Property/land sales: €396 thousand

Santiago Olivares and related party

Ferrovial Inmobiliaria, S.A.

- Property/land sales: €260 thousand

Related party related to Jaime Aguirre de Cárcer

Ferrovial Inmobiliaria, S.A.

- Property/land sales: €129 thousand

Almirall

Ferrovial Servicios S.A. / Subsidiaries
- Provision of waste collection services: €122 thousand

Universidad de Deusto
Ferrovial Servicios S.A. / Subsidiaries
- Maintenance services: €180 thousand

Aviva
Ferrovial Group companies:
- Contracting of insurance policies: €2,581 thousand

Maxam Europe and group companies
Ferrovial Agroman S.A. / subsidiaries
- Receipt of supplies of explosives and detonators: €232 thousand

Banesto
Ferrovial Group companies:
- Interest collected: €338 thousand
- Payment of interest: €2,019 thousand

Cepsa
Ferrovial Agroman S.A. / subsidiaries
- Construction work: €45 thousand
Ferrovial Group companies:
- Receipt of fuel supplies: €16,933 thousand
Ferrovial Servicios S.A. / Subsidiaries
- Maintenance services: €3 thousand

Everis and its group companies
Cintra
- Reception of advertising services: €16 thousand

Asea Brown Boveri
Ferrovial Agroman S.A. / subsidiaries
- Receipt of equipment repair and maintenance services and electrical spare parts: €21 thousand
Ferrovial Servicios S.A. / Subsidiaries
- Provision of waste collection services: €12 thousand

Telefónica
Ferrovial Group companies:
- Reception of telecommunications services: €8,449 thousand
Corporación
- Re-invoicing cancellation costs: €704 thousand

Meliá Hoteles and group companies
Ferrovial Group companies:
- Receipt of hotel and catering services: €5 thousand
Ferrovial Servicios S.A. / Subsidiaries
- Provision of waste collection and maintenance services: €26 thousand

Empark
Ferrovial Servicios S.A. / Subsidiaries

- Provision of waste collection services: €28 thousand
Ferrovial Servicios S.A. / Ferrovia Agroman S.A. / Subsidiaries
- Receipt of parking rental services: €19 thousand
Ferrovial Servicios S.A. / Subsidiaries
- Maintenance services: €1 thousand
Cintra
- Re-invoicing of expenses, customer balances and stock pending commercialisation: €1,223 thousand
Ferrovial Agroman S.A. / subsidiaries
- Construction work: €2,816 thousand

- Acerinox
Ferrovial Servicios S.A. / Subsidiaries
- Provision of waste collection services: €1 thousand

- Dornier
Ferrovial Servicios S.A. / Subsidiaries
- Conservation services: €4 thousand

- Holcim
Ferrovial Agroman S.A. / subsidiaries
- Purchase of cement: €1 thousand

- Bankia
Ferrovial Group companies:
- Contracting of financial services: €7,078 thousand
 - Financing agreements. Guarantee: €301,200 thousand
 - Interest collected: €731 thousand
 - Payment of interest: €5,511 thousand
 - Balance drawn down on guarantee lines: €268,600 thousand

- Fundación Seres.
Corporación
- Donation: €6 thousand

- La Rioja Alta
Ferrovial Servicios S.A. / Subsidiaries
- Receipt of catering services: €1 thousand

- Marsh
Ferrovial Group companies:
- Receipt of insurance services: €993 thousand

- Spencer Stuart
Ferrovial Agroman S.A. / subsidiaries
- Receipt of consultancy services: €66 thousand

- Zurich Insurance
Ferrovial Group companies:
- Contracting of insurance policies: €216 thousand
- Ferrovial Servicios S.A. / Subsidiaries
- Maintenance services: €2 thousand

OTHER INFORMATION ON TRANSACTIONS WITH SHAREHOLDERS, DIRECTORS AND SENIOR MANAGEMENT:

In addition to the foregoing transactions, there were four transactions in 2012 with members of the "controlling family group" or companies related to them, Directors and members of Senior Management, either directly or through related persons for a combined total of €38 thousand for the collection and/or execution of minor work in residences or offices; assembly,

repair and facility maintenance services, and waste recovery and integrated management services, as well as the receipt of a number of services of a duration and sum that are not significant and carried out on an arm's-length basis. In transactions where Ferrovial companies acted as the service provider, the total profit obtained was €0 thousand and the balance was €20 thousand.

For information on remuneration and loans to Directors and Senior Management, see the section on Remuneration of the Board of Directors and Senior Management.

SECTION C.3.: TRANSACTIONS WITH GROUP COMPANIES

Mentioned below are transactions carried out between Ferrovial companies which, since they form part of normal operations as regards their purpose and conditions, have not been eliminated for the following reason when drawing up the consolidated financial statements of the Company.

As explained in detail in the Notes to the Financial Statements, balances and transactions relating to construction work performed by the construction division for the Group's infrastructure concession companies are not eliminated in the above-mentioned process of drawing up the consolidated financial statements since, at a consolidated level, these types of contract are rated as being construction contracts in which the works are understood as being carried out, insofar as these works are being executed, for third parties, since the final owner of the work performed, from both an economic and legal standpoint, is the granting administration.

In 2012, Ferrovial's construction division invoiced the aforesaid companies for the work performed and for advances related to that work, a total of €746,854 thousand, recognising €716,511 thousand as sales for that work.

The earnings not eliminated in the process of consolidation deriving from these transactions assignable to the percentage Ferrovial holds in the concessionary companies receiving the works and net of taxes and minority interests was €23,813 thousand in 2012.

F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Recommendation 2.

At present, no other company in the Ferrovial Group is listed on the stock exchange apart from Ferrovial itself. However, when this circumstance has arisen (the listing of Cintra and Grupo Ferrovial S.A.) the Company has fully complied with this recommendation and, hence:

- The Board of Directors of the Company has been assigned the responsibility under its Regulations to oversee that, if the Company and a subsidiary are listed simultaneously, a public and precise definition is given of the respective areas of activities and the business dealings that may exist between them and the other companies in the Group, and the mechanisms established to resolve any conflicts of interest.

Upon the listing in 2004 of Cintra, Grupo Ferrovial S.A. and Ferrovial Agroman (a subsidiary that operates in the construction business), on the one hand, and Cintra on the other, they signed and made public a Framework Agreement to regulate the dealings between Grupo Ferrovial, S.A. and its subsidiaries on the one hand, and Cintra and its subsidiaries, on the other.

-Finally, the Framework Agreement envisaged that Cintra's Related-party Operations Committee would exercise certain supervision and reporting functions, with special attention to matters related to the corporate governance of Cintra and prevention of situations of conflicts of interest. In particular, this Related-party Operations Committee would be responsible for overseeing compliance of the Framework Agreement.

Recommendation 38.

The Company complies in its internal regulations, to the extent provided for in this Recommendation, although the situation in which its application would be appropriate has not arisen to date.

Recommendation 55.

The Company complies, although the powers of the Nomination and Remuneration Committee on the subject of the Chairman's and Chief Executive Officer's succession refer to the process that permits the orderly succession of the posts of Chairman and Chief Executive Officer.

You may include in this section any other information, clarification or observation related to the above sections of this report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

Binding definition of independent director:

List any independent directors who maintain, or have maintained in the past, a relationship with the company, its significant shareholders or managers, when the significance or importance thereof would dictate that the directors in question may not be considered independent pursuant to the definition set forth in section 5 of the Unified Good Governance Code.

NO

Date and signature:

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on:

19/02/2013

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

NO

APPENDIX TO ANNUAL CORPORATE GOVERNANCE REPORT OF FERROVIAL, S.A. OF 2012

The Sustainable Economy Act 2/2011 of 4 March ("Sustainable Economy Act") amended Securities Market Act 24/1998 of 28 July ("Securities Market Act") and added a new chapter VI called "Annual corporate governance report" which includes a new article 61 bis regulating the annual corporate governance report ("IAGC" in Spanish). Said article incorporated, *inter alia*, a new section in the annual report on corporate governance describing the main characteristics of internal control over financial reporting and management of risks in listed companies.

The Sustainable Economy Act also repealed article 116 bis of the Securities Market Act which required the inclusion of certain additional information in the management report.

Taking into account that the model of the annual corporate governance report has not yet been implemented in regulation, this year as it did last year the Company has used the model still in force pursuant to Circular 4/2007 of 27 December of the Spanish Securities Market Commission ("CNMV"), with the inclusion in this appendix of the additional information required under the Sustainable Economy Act not included in the aforementioned model.

1. Information about securities not traded in a regulated market of the European Union, stating where applicable the various classes of shares and, for each class of shares, the rights and obligations that they confer, and the percentage of capital stock represented by own shares and any significant variations in them (Art. 61 bis 4 a 3 of the Securities Market Act).

None of the Company's securities trade on non-EC exchanges.

2. Any restriction on the transfer of securities or on voting rights (Art. 61 bis 4 b of the Securities Market Act).

There are no restrictions of any kind in the Company's Bylaws for the acquisition or transfer of share capital other than those set forth in corporate regulations.

There are no legal or bylaw-stipulated restrictions on voting rights, except for section 83.1 of the Corporate Enterprises Act and article 12.2 of the Bylaws (which state that shareholders in arrears in capital payments payable may not vote).

3. Information about the rules governing changes to the company's articles of association (Art. 61 bis 4 a 4 of the Securities Market Act).

Modifications of the Bylaws must comply with sections 194 and 290 of the Corporate Enterprises Act.

4. Information about significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects, except where disclosure would be seriously detrimental to the company. This exception will not apply where the company is legally obliged to publish such information (Art. 61 bis 4 c 4 of the Securities Market Act).

A corporate financing agreement with certain lending institutions is currently in force that includes, as grounds for early maturity, a change in the control of Ferrovial S.A. The amount of the agreement at 31 December 2012 was €1,560.57 million, of which €1,019.57 million have been drawn down.

The Company and its group are party to less onerous contracts, mainly financial in nature, that require authorisations or set conditions precedent for a change of control or corporate transactions such as a merger or spin-off.

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

5. Agreements between the company and its officers, executives and employees that provide indemnities for the event of unfair dismissal or of termination as a result of a takeover bid (Art. 61 bis 4 c 5 of the Securities Market Act).

At 31 December 2012, the contracts between the Company and members of its Senior Management, including one Executive Director, envisage expressly their entitlement to receive the compensation established in Article 56 of the Workers' Statute in

the event of unjustified dismissal.

In the Ferrovial group of companies, the contracts of some executives, mainly those working abroad, contain clauses that provide for indemnities or obligations of prior notice by the Company for cases of unjustified dismissal.

Similarly, 11 members of Senior Management, including one Executive Director, are recognized as being entitled to deferred remuneration with a view to fostering their loyalty and encouraging them to remain with the Company. This item consists of extraordinary remuneration that will only become effective when certain of the following circumstances occur:

- Removal of the senior executive by mutual agreement or upon reaching a certain age.
- Unjustified dismissal or abandonment by the Company on its initiative without justification for dismissal, prior to the senior executive reaching the age initially agreed upon, if the aforementioned amount exceeded that resulting from applying the Workers Statute.
- The death or disability of the senior executive.

To cover this incentive each year, the Company contributes to a mutual savings insurance policy, of which the Company itself is both policyholder and beneficiary, quantified according to a certain percentage of the total monetary remuneration of each senior executive.

6. A description of the main characteristics of the internal control and risk management systems in connection with the process of disclosing financial information (Art. 61 bis 4 h of the Securities Market Act).

Overview of Ferrovial's Internal Control over Financial Reporting (ICFR) System

The deployment of ICFR at Ferrovial is based on the five components of the internal control system:

1. The entity's control environment
2. Risk assessment in financial reporting
3. Control activities
4. Information and communication
5. Monitoring

Therefore, ICFR at Ferrovial is based both on general controls (such as the existence of the Code of Ethics, Whistle-blowing channel, the Audit and Control Committee, the Internal Audit function, etc.) and on specific controls in the different management areas (relating to transactions affecting financial reporting to the market).

The structure of this document consists of answers to questions or parts of section F contained in the draft circular of the CNMV published on 26 October 2011.

F. Description of the main characteristics of the internal control and risk management systems with regard to Ferrovial's ICFR.

F.1 The entity's control environment

Provide information on at least the following items and specify their main characteristics:

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

Bylaws and Regulations of the Board of Directors

The responsibilities of the Board of Directors and of the Audit and Control Committee (hereinafter ACC) over financial reporting are established in the Company's Bylaws and in the Regulations of the Board of Directors.

The Board of Directors is responsible for drafting clear and precise financial statements and to supervise the information that is to be provided periodically to the markets, ensuring that the information is drafted in accordance with the same principles as the financial statements and that it is equally reliable.

Article 8.2.e of the Regulations of the Board of Directors assigns the Board the responsibility of "monitoring the Company's financial statements, at least every quarter, and supervising the information that is provided periodically to the markets or supervisory authorities, ensuring that the information is drafted in accordance with the same principles as the financial statements and that it is equally reliable. For this purpose, the assistance of the external auditors or any Ferrovial executive may be called upon".

Further, article 8.2.d assigns it the duty of "Drafting clear and precise financial statements so that they can be easily understood while seeking to avoid qualifications by the auditor".

In turn, the duties of the ACC include supervising the effectiveness of internal control of the Company and supervising the process of drawing up and submitting regulating financial reporting.

The ACC, in accordance with paragraphs b) and c) of article 52 of the Bylaws of Ferrovial, has among its duties:

- **"Monitoring the effectiveness of the Company's internal control, internal audit and risk management systems, and discussing with the Company's auditors any significant weaknesses detected in the internal control system during the audit"**.
- "Supervising the process of drawing up and presenting the regulated financial information".

General framework of Internal Control Over Financial Reporting (ICFR)

The general framework of the ICFR system (ICFRS), accessible to all employees on the Company intranet, assigns **Senior Management, which includes members of the Management Committee, the responsibility of designing, implementing and maintaining the ICFRS**. Therefore, this responsibility not only falls within finance, but also affects the entire organisation, as financial reporting feeds on the activity and information generated by business areas and other supporting areas such as HR, Legal Affairs or IT Systems.

Finance is engaged in coordinating such tasks at a global level through the Group Finance Department (GFD) which will monitor all phases of the system and report to the ACC on progress in implementation and monitoring. Such coordination is carried out in each business area by the individual Finance Departments thereof.

F.1.2. List of the components in place in relation to the process of preparing the financial information, if any:

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

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

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

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

The Compensation and Benefits Department, under the Human Resources Department, periodically evaluates the classification and description of all job positions in the Group with a view to maintaining an appropriate separation

of functions, avoiding redundancies and ensuring the co-ordination of different departments, thus achieving greater efficiency of operations in the Company.

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

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

Code of Business Ethics

The Company has a Code of Business Ethics issued by the Chairman that is available to employees on the Company's intranet. The code includes the basic principles of conduct: respect for the law, ethical integrity, respect for human rights, respectful treatment and prohibition of discrimination and so on. It contains a specific mention of the preparation of financial reporting: "As the guiding principle in its business conduct towards shareholders, investors, analysts and the market in general, Ferrovial undertakes to disclose truthful and complete information that provides an accurate view of the Company and Group, their corporate activities and their business strategies".

The ACC is responsible for supervising compliance with the Code of Ethics. Through Internal Audit, it is periodically informed of all activities and measures taken. In this work, Internal Audit receives assistance from HR and Legal Affairs when it believes the work to be performed falls within the scope of their responsibilities.

With regard to the degree of dissemination and instruction, the Company obligates its employees to take an online course in business ethics in which the basic principles of the code are explained. In 2010, the year in which the course was launched, 3,600 employees in Ferrovial companies in Spain participated in this mandatory course and were asked questions to verify that they properly understood said principles.

Since 2011, mandatory online courses have also been organised on the reform of the Penal Code and the Code of Good Tax Practices, with participants answering questionnaires to obtain a certificate. In 2011, some 3,800 employees of the Group completed the course.

Crime Prevention Protocol in Spain

With the entry into force of the reform of the Penal Code in December 2010, the Board of Directors adopted a Crime Prevention Protocol in Spain that is available to all employees on the Company's intranet. The protocol includes a series of prohibited conducts, including crimes that may affect financial reporting at Ferrovial, such as fraud, corruption, bribery, falsification of financial statements and falsification of calculation in tax returns; and a list of rules that prevent crimes being committed, including the regulatory framework of the ICFRS.

Internal Code of Conduct

Finally, it should be mentioned that the Company has an Internal Code of Conduct on matters relating to the securities markets that is applicable to Directors of the Company and the most significant subsidiaries, Executives, External Advisors and, generally, to any other person that may have access to insider information in the Group.

In 2003, the Board of Directors of Ferrovial approved a revised text of the Internal Code of Conduct to replace the text approved in 1999, thus adapting it to the Financial System Reform Act of 2002 (Finance Act) and ensuring a high degree of transparency vis-à-vis the market by laying down norms of conduct aimed at preventing interference in the performance of Company capital in the securities markets.

- **'Whistle-blowing' channel, for the reporting to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.**

Pursuant to article 21, section j) of the Regulations of the Board of Directors, the ACC must "Establish and supervise a system that enables any employee to report, confidentially and, if he/she wishes, anonymously, any situation of inefficiency, improper behaviour or violations of importance, particularly with regard to finance or

accounting, within Ferrovial”.

The Company has an anonymous whistle-blowing channel that is accessible through the employee intranet and the websites (in both the Spanish and English versions) **that allows any interested counterparty to report to the ACC finance and accounting irregularities** or breaches of the code of conduct and irregular activities in the organisation. Ferrovial also has a post box for those who prefer to use this channel.

All these mechanisms can be used in a secure, personalised or anonymous manner and allow for the provision of documentary evidence.

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

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

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

The managers of departments engaged in preparing financial information must ensure their staff receive training and refresher courses. HR and, specifically, the Corporate University are responsible for implementing the required training programmes.

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

The managers of the University meet each year with the GFD to coordinate training for personnel involved in the preparation and revision of financial information. The GFD co-ordinates the training requirements of all affected areas. Subsequently, the managers of the University provide the GFD with a summary of the action taken in the academic year.

The University has a broad range of courses, including a specific finance training course (finance classroom), which is supplemented by special workshops.

In addition, finance courses are imparted and managed directly by the HR areas of the business units involved.

In 2012, approximately 600 people working in finance received 13,989 hours of training in finance, with a special focus on updating and recycling knowledge of accounting rules, analysis of financial statements and investments, drawing up cash flows and tax knowledge, as well as subjects of a complex or subjective nature, as they are influenced by judgements or estimates, such as financial products and financial modelling (“project finance”).

Also in 2012, the GFD itself provided online training for users of the tool for reporting ICFRS risks.

F.2 Risk assessment in financial reporting

Report the following at least:

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

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

- **The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.**
- **Which of the company's governing bodies is responsible for overseeing the process.**

Ferrovial has implemented an integrated risk management system called Ferrovial Risk Management (FRM), which is the basis for a procedure under the responsibility of the Risk Department that is accessible to all employees on the Company's intranet. It is described in greater detail in section D.1 of the Annual Corporate Governance Report.

The Risk Universe of the FRM is part of a common catalogue to be used by different businesses, which classifies risks into four main areas: strategic risks, operating risks, regulatory risks and financial risks.

The financial risks include identification of risks and associated controls related to the reliability of financial information (FRM ICFRS), which is a separate section within the FRM.

The design of the content of the information to be reported in the FRM framework relating to the ICFRS is the responsibility of the GFD. This process covers all the objectives of financial reporting, namely: existence and occurrence; completeness; valuation; presentation; disclosure and comparability and rights and obligations.

Specific software has been developed as a channel to support the FRM ICFRS process. The FRM ICFRS tool was designed to enable the completion of the exercises described below and to optimise the use of the information generated in this manner.

The complete process of analysing the risks of financing reporting is executed once a year in co-ordination with the Risk Department.

The management units of the various business areas, belonging to the Finance Departments, are responsible for providing the required information in the process of risk identification and controls.

To complete its analysis for the previous year, in 2012 Ferrovial set an objective criterion for the reporting of ICFRS risks, establishing quantitative materiality.

Materiality was set for the Ferrovial Group for the balance sheet, based on total assets, and a different materiality was set for the items of the income statement, based on net revenues. The materiality calculation was carried out by applying the upper bracket established in the Spanish Accounting and Audit Institute (ICAC) Resolution of 14 June 1999, which published the Technical Auditing Standard on the concept of "relative importance".

For the scope or materiality of work, the middle bracket established in the aforementioned resolution has been applied over the aforementioned materiality for this purpose.

During each financial year, the quantitative materiality data will be updated with the information from the immediately preceding financial year.

The heads of the business areas have to report their assessment of the risks for all the risk categories that exceed the quantitative materiality threshold.

The ICFRS Risk Universe, common for all the businesses, comprises the following risk categories:

- Items of the financial statements (Balance Sheet, Income Statement, Other Comprehensive Income)
- Cash Flow
- Consolidation/Closing of Accounts
- Other risks: in the event that there were any risks that could affect the financial information but which are not included in the foregoing risk categories, such risks must be included in this category to be assessed subsequently.

The Company is working towards being able to report risks and controls relating to Information Systems through the tool as well in 2013.

Risks are assessed through the Risk Matrix and the Relevance Scale, instruments which ensure the use of a common and ordered working process for managers.

The Risk Matrix enables the exposure of a business to the different risk categories defined in the Risk Universe to be analysed with regard to the objectives of control over financial reporting.

A risk associated with a Balance Sheet or Income Statement item that exceeds the quantitative materiality level set for the Group must mandatorily be assessed and the controls in place to mitigate it must be reported.

Additionally, all those risks associated with a Balance Sheet or Income Statement item that do not exceed the quantitative materiality level can be voluntarily selected, provided that there are certain circumstances involved such as fraud, complex transactions, items subject to judgements and estimations, etc.

Risks relating to Comprehensive Income and other categories (Consolidation/Closing and Cash Flow) must always be assessed, regardless of the quantitative materiality, and this exercise will be done at a consolidated level. The same will be true in those cases where sub-consolidated data are prepared to report to the Group (basically, Amey and Budimex).

The assessment process is based on an Assessment Scale designed to make two different risk assessments: one for inherent risk and another for residual risk (after controls), in accordance with their potential impact, likelihood of occurrence and exposure.

To assess the possible impact should the risk occur, circumstances such as the following have been taken into account: the complexity of transactions and applicable rules, the volume of transactions, the complexity of calculations, application of judgements, estimates or projections, items that may be subject to fraud, items identified by internal/external auditor in the past, errors committed in the past.

The final risk assessment will be the product of the assessments made of the impact, likelihood and exposure, thus yielding a value for risk that will place it in one of the following two categories:

- Significant risk
- Non-significant risk

In addition to evaluating the risks incorporated in the FRM ICFRS application, the business managers describe the controls currently in place to mitigate relevant risks and can propose, as necessary, new controls or modifications of existing ones.

The managers must include the following information about the controls:

- A description sufficient for the functioning of the controls to be understood.
- Person responsible.
- Type: approval, checklist, error detection, policy or procedure, access control, system control, segregation of duties.
- Attributes:
 - Automatic / Manual.
 - Preventive or investigative.
- Frequency of control.

In addition, the person responsible for the control must report on the supporting evidence of the control, in such a way that a third party could request such evidence. This point, which the Company is working on, is an area for improvement to include in the 2013 report.

The most recent update of this work was completed in July of last year, when the GFD reported on the results achieved to the ACC. As a result of this process, 1,440 controls from the 51 management units in all the countries where the Company operates were documented including Heathrow Airport Holding (HAH) and ETR-407, companies consolidated using the equity method (10 USA and Canada; 17 Spain; 3 UK; 15 Rest of Europe, highlighting Poland and Portugal; 4 Latin America and 2 Rest of the World).

The risks and controls have been validated by the different levels of authorisation defined, involving the various financial divisions of the business areas and main subsidiaries, up to the GFD. In addition, the different levels of authorisation establish a league table of what they considered to be the main financial information risks in the field of their responsibility.

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

Within the GFD, Accounting performs a number of controls to ensure the consolidation of all companies as required by law. Companies that report already-consolidated information to the Group have the same mechanisms with a view to ensuring the completeness of the process.

At present, there are three processes for companies whose consolidated information is prepared centrally at group level:

- Investment requests: acquisition of companies is subject to authorisation. A copy of the signed authorisation is received by members of the Executive Committee.
- The General Secretary updates the organisational chart: whenever a company is incorporated into the Group, the General Secretary updates the organisational chart and distributes it.
- Interface between Consolidation tool and SAP: When a company is added in SAP, the interface detects it and the consolidation tool issues notice for it to be added to this tool, thus ensuring the consistency of information in the two systems.

Those companies that reports sub-consolidated data, basically Amey and Budimex, have the same processes.

F.3 Control activities

Provide information at least on whether the following items are available and specify their main characteristics:

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

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

The Regulations of the Board of Directors specify that the statements presented for approval by the Board must first be certified by the Chairman, Chief Executive Officer and the Chief Financial Officer.

Prior to such certification, the Chief Executive Officers and Chief Financial Officers of the businesses and main subsidiaries must certify the information reported for the purposes of preparation of the yearly consolidated financial statements of the Group for their own areas of responsibility.

The report describing the ICFRS is drawn up by the GFD with the co-operation of pertinent corporate departments and is submitted to the ACC for review and approval.

Documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements.

All business areas have controls of critical processes to ensure the reliability of financial information. Such controls in certain cases are included in written procedures or in the functioning of reporting systems serving as the basis for preparation of financial information.

The control map is identified in two ways:

- a) Through the FRM ICFRS (in a more succinct manner).
- b) Through comprehensive documentation of the critical processes.

Since 2006, such processes and related control processes have been systematically documented. This documentation is produced systematically through the following steps:

1. Analysis of the financial statements of the affected companies and the setting of key control objectives in financial reporting for different items composing it.
2. Description of processes with a narrative and a flow chart.
3. Identification of controls in processes.
4. Assignment of existing controls to each of the key control objectives.
5. Walkthrough testing, through which a sample of each key control is requested to verify the proper design and understanding of the process.
6. Identification of possible improvements and adoption of action plan for their implementation.

Processes are elected by the GFD on an annual basis according to the risks identified in the risk identification process described in F.2.1., and at two levels: by business line and across business lines.

The following work on internal control was performed in 2012, with special emphasis on:

- Analysis and documentation of internal control at Amey.
- Analysis and documentation of internal control at Cintra USA, specifically for the SH130, NTE, LBJ and Chicago Skyway motorways.
- Documentation of the IFRIC 12 process regarding service concession arrangements.

It is worth mentioning that Cintra has also published a manual on the responsibility of the Finance Department of the concessionary companies, the procedure for preparing the net cash position/cash flow and analysis of financial results, and the procedure for consolidated annual budgets and revisions thereof.

Opportunities for improvement have been identified in the work at Amey and Cintra USA, and action plans have been adopted to implement such improvements.

The GFD periodically (at least twice a year) submits a report to the ACC on progress in work on the design and implementation of proposals for improvement and maintenance of the ICFRS.

In 2012, work took place to formalise and systematise the methodology for monitoring the action plans, through the modification of the ICFRS Framework and the approval of the compliance statistics to be presented to the ACC. To prepare this, the ICFRS coordinators and Finance Directors of the businesses will be systematically requested to send up-to-date information about the different improvement action measures in the field of their responsibility.

Closing of accounts procedure.

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

Further, the Company has a process for corporate closing processes that is available on the Company's intranet. It describes the content of the corporate controls for closure that are performed centrally to assure the reliability of the consolidated financial information and the monitoring and updating mechanisms, and how these are to be recorded.

Specific review of critical judgements, estimates, evaluations and projections.

The GFD prepares a document on judgements and estimates in the yearly closing that is submitted to the ACC.

In addition, given that accounting rules require the use of judgements and estimates based on long-term projections for recording certain transactions, the Company has a process for medium and long-term projections that specifies how to create and update the finance models and which controls have to be introduced to ensure the coherence of the different types of financial reporting. The Company also has a process for evaluating derivatives and measurements to test their effectiveness.

Both processes issued by the GFD are on the Company's intranet to ensure that all employees are familiar with them.

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

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

Management and control of the services provided by the ISD are structured in the following processes:

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

These processes, in turn, open up sub-processes that contain the control activities necessary to cover risks relating to management of IT systems that support processes related to the preparation of financial reporting. Such sub-processes include:

- **Continuity management: Ferrovial has implemented a Business Continuity Model** that properly manages serious contingencies and the acceptable recovery of critical processes in such circumstances. This model regulates the following matters, among others:
 - Global Business Continuity Policy.
 - Governing Framework and Responsibilities.
 - Business Impact Analysis (BIA) to correctly identify the critical processes for business continuity.

- Incident Response Structure, including measures to back up and recover information in contingency situations, such as management of back-up copies and recovery of information in systems disasters.
- **Change management and control** through the setting up of procedures in different fields (development of products and services, technology infrastructures, etc.) to ensure that changes in IT systems supporting financial information are evaluated, approved, implemented and reviewed in a controlled manner.

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

Within this framework, Ferrovial acknowledges the strategic importance of its information assets and establishes a series of general guidelines in order to protect information from unauthorised destruction, unavailability, manipulation or disclosure.

Ferrovial has an IT Security Committee with the following main duties:

- Develop a General Corporate IT Security Framework and ensure its correct implementation in Ferrovial by executing and monitoring initiatives in information security.
- Develop rules, procedures and, generally, control mechanisms to regulate correct access to and treatment of both IT and the systems processing information by Ferrovial employees and collaborators.
- Oversee compliance with both internal and legal information security rules and control mechanisms in force in Ferrovial.

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

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

The Ferrovial IT Security Management System (SGSI) has been certified under standard ISO/IEC 27001 since March 2012.

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

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

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

- Outsourcing of IT systems hardware and software management

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

- Adherence to/certification of provision of service under international standards (including ISO/IEC 20000 and ISO/IEC 27001).
- Establishment of governance mechanisms and mechanisms to monitor service.
- Setting up of obligatory and periodic processes of auditing and service reviews.

- Establishment and management of service levels.
- Actuarial studies of pensions

Information on pensions reported in the consolidated financial statements is based on the actuarial calculations of reputable firms. This information is checked by the Company, which possesses controls to ensure its reliability.

In addition, arising from the internal control work performed in 2011 regarding the description of the pension process, the Company requests the certification or a specific report on internal control (as per SAS 70, AAF 01/06 or a similar standard) of the companies subcontracted by the Trustees that are responsible for the processes of valuing assets in the funds and administering them, as they are a source of information for the calculations by the actuary contracted by the Company.

Furthermore, it is noteworthy that Internal Audit audits outsourcing contracts to ensure compliance with the conditions agreed in the contract. In 2012, it audited the contracts of Cap Gemini at HAH and of Telefónica in Spain.

Lastly, the Company has an internal procedure for contracting professional consulting or advisory services with auditing firms and parties that are related or part of the same network, independently of whether they are engaged at the time in reviewing the consolidated or individual financial statements of Ferrovial or its investees. Certain approval levels are required that depend on the amount, including approval from the ACC. Under this procedure, at least three bids must be requested for each job, in the absence of a justified cause. The reason for the outsourcing must be explained. The General Secretary is responsible for co-ordinating the appointment of the individuals or firms providing legal services such as lawyers, solicitors and notaries to group companies, and for supervising the provision of services and accrual of fees.

F.4 Information and communication

Provide information at least on whether the following items are available and specify their main characteristics:

F.4.1. A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations.

This is a centralised corporate function for the entire geographic scope of the Group.

The Accounting Policies and Internal Control Department, which reports to Planning and Control within the GFD, is responsible for defining and updating the accounting rules manual (Ferrovial GAAP), available on the Company's intranet, and answering questions or resolving conflicts related to the interpretation thereof.

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

This department must prepare technical notes when important decisions need to be taken in relation to accounting standards to document that decisions are sufficiently grounded.

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

The GFD continuously oversees that there is an appropriate proportion of subsidiaries whose transactional and consolidation IT systems are those applicable at the group level and that they gather information in a standard format. It also determines which standard reporting system (Monthly Report) will be used in companies whose systems are not used at group level and which are material to the Group's consolidated financial information in order to ensure the consistency of reported information.

At the transactional system level, Ferrovial has a standardised system internally called SAP Fidelio which includes companies that accounted for 61% of sales, 73% of EBITDA and 70% of assets in 2012. Companies outside SAP

Fidelio mainly belong to Amey and Budimex.

Ferrovia has the BPC consolidation tool in which all companies are consolidated, except for the sub-consolidated financial statements of Amey and Budimex and entities consolidated by the equity method, which are reported in a standard monthly report format and consolidated with other group companies. The monthly report includes disclosures necessary for the preparation of financial statements and, with the ICFRS, it includes the certification of the Chief Financial Officer and the Chief Executive Officer of such subsidiaries, as discussed in section F.3.1.

F.5 Monitoring

Provide information on at least the following items and specify their main characteristics:

F.5.1. ICFRS monitoring activities undertaken by the Audit Committee, including an indication of whether the entity has an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including the ICFRS. Also describe the scope of the ICFRS assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

Ferrovia has an Internal Audit Department that reports directly to the ACC of the Board of Directors, which ensures total independence and objectivity of those employees making management decisions when reviews are conducted. The functions under the Regulations of the Board of Directors and the ACC that affect Internal Audit include proposing and removing its own manager, approving the budget and ensuring that the human and material resources are appropriate for the performance of its duties. Members of the team exclusively carry out audit work.

The scope of Internal Audit's work includes all companies in the Ferrovia Group. Therefore, it is a centralised corporate function that performs work in any company, process, area or system, whether national or international, in which Ferrovia holds an interest.

The annual work programme is drawn up on the basis of risk parameters included in a priority matrix (intrinsic risk, controls, sector, activity, country, age, etc.) which determine what work is a priority for the next year when applied to the total "auditable universe". This planning proposal is discussed with Senior Management with a view to incorporating its proposals, and it is submitted to the ACC for approval prior to the start of the year. Then, during the year, the degree of progress in planning is reported, as are any deviations, and these are explained. The guiding principle is that all work considered a priority must be audited during the current year and others are positioned for the following years. Hence, a review of the entire auditable universe will have been completed once a certain number of years have elapsed, which we believe is sound and representative of the level of risk.

The scope of Internal Audit's work is global, as it includes reviewing the financial statements (both as part of the accounting process and retroactively) and the following areas: the balance sheet and income statement, both financial and future; business plans; budgets; finance models; etc.), analysing effectiveness and efficiency of processes, internal controls, the design and compliance with applicable internal and external regulations, the functional completeness and sufficiency of IT systems and organisational structures.

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

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

This philosophy is applicable uniformly to all the work of Internal Audit. In the specific field of the ICFRS, the effectiveness and design of internal controls is analysed, as noted previously with regard to work performed in audited units. Additionally, the work carried out in 2012 included the auditing of the deployment of the system for Internal Control over Financial Reporting itself, with satisfactory results, and the specific updating of the status of monitoring the recommendations issued in the previous audit. For 2013, the plan approved by the ACC includes the complete auditing of two ICFRS processes, which can be across business lines or of the ICFRS in one business area, and the verification in the other audits of the specific risks and controls that have been identified. In all cases, evidence will be requested to carry out efficiency testing.

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

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

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

Such weaknesses are included in the ICFRS action plan, while the GFD is responsible for designing an action plan to correct them and report the progress to the ACC.

In the Recommendations section of the audit report, recommendations for improvement are given for any weaknesses found. The direct managers of the audited units commit to implementing the recommendations on dates to be agreed with Internal Audit, which performs a quarterly evaluation of their effective implementation. This information is also periodically reported to Senior Management and the ACC for their information and for any measures deemed appropriate. In some cases, implementation of the recommendations of Internal Audit is made part of the personal objectives of the manager responsible, thus affecting attainment of variable remuneration.

F.6 Other significant information

F.7 External auditor review

Review stating:

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

Ferrovial has asked the external auditor to issue a review on the information provided by the Company in this document. The review is attached hereto as an Appendix and is based on professional guidelines established by auditor associations, which are in line with the "Procedures for external auditor review" included in the GTCI document (Internal Control Working Group) of June 2010.

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

**Auditor's report on "Information relating to Internal Control over
Financial Reporting (ICFR)" of Ferrovial, S.A. for 2012**

To the Directors,

The Securities Market Act 24/1988 of 28 July, as amended by the Sustainable Economy Act 2/2011 of 4 March requires, as from fiscal years starting on 1 January 2011, that the Annual Corporate Governance Report include a description of the main characteristics of the internal systems of control and risk management for the process of reporting statutory financial information. On this point, the Spanish Securities Market Commission (CNMV) published on 26 October 2011 a Draft Circular modifying the model for the Annual Corporate Governance Report to be published, including the manner in which the main characteristics of their ICFRS were to be described. In its letter of 28 December 2011, the CNMV recalls the aforesaid legal changes to be taken into consideration in the preparation of "Information on the ICFRS" until definitive publication of the CNMV Circular that defines the new model for the corporate governance report.

Pursuant to sub-section 7 of the content of the ICFRS in the model for the Annual Corporate Governance Report of the CNMV Draft Circular, requiring that companies mention if the description of the ICFRS has been reviewed by the external auditor and, if so, that they include the report, on 28 October 2011 auditor associations published guidelines and an approximate model for the auditor's report (hereinafter, the Draft Guidelines). In addition, in Circular E01/2012 of 25 January 2012, the Institute of Certified Auditors of Spain [*Instituto de Censores Jurados de Cuentas de España*] sets forth certain additional considerations regarding the same matter.

Pursuant to the request from the Board of Directors of Ferrovial, S.A. (hereinafter, the Company) and to our proposal letter of 13 February 2013, we have applied certain procedures to "Information on the ICFRS" included in the Annual Corporate Governance Report of Ferrovial, S.A. for 2012, summarising the internal control processes of the Company for annual financial reporting.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance and supervision of a proper system of internal control and to make improvements in said system, and to prepare and establish the content of the attached "Information on the ICFRS".

Hence, independently of the quality of the design and operation of the Company's internal control system for annual financial reporting, it must be recalled that this only allows for reasonable, but not absolute, assurance of the objectives being sought, owing to the limitations inherent to any internal control system.

In the course of our work of auditing the financial statements and, in accordance with the Technical Auditing Standards, the sole purpose of our evaluation of the Company's internal control is to establish the scope, nature and timing of the process of auditing the Company's financial statements. Consequently, our evaluation of internal control for said auditing of financial statements did not have sufficient scope to allow us to issue a specific opinion of said internal control over statutory financial reporting.

For the purposes of this report, we have applied only the specific procedures described below and indicated in the Guidelines relating the information on the system for internal control over financial reporting in listed companies published by the CNMV on its website, which specifies the work to be performed, its scope and the content of this report. As the work arising from said procedures has a limited scope that is substantially narrower than an audit or a review of the internal control system, we express no opinion on the effectiveness of the same or its design or effectiveness in relation to the Company's annual financial reporting in 2012 described in the attached "Information on the ICFRS". Hence, if we had applied procedures in addition to those laid down in the aforementioned Guidelines or if we had performed an audit or review of the internal control system of statutory annual financial reporting, other facts or matters we would have reported might have emerged.

Since this specific work does not constitute an audit and it is not subject to the Revised Text of the Audit Act approved by Royal Legislative Decree 1/2011 of 1 July, we express no audit opinion as per the terms of the aforesaid law.

The following procedures were applied:

1. Reading and comprehension of the information prepared by the Company on the ICFRS included in the Annual Corporate Governance Report of Ferrovial, S.A. for 2012, and evaluation of whether said information covers all required information to comply with the minimum content described in the model for the Annual Corporate Governance Report of the CNMV Draft Circular.

2. Questions asked of staff responsible for preparing information specified in point 1 above, with a view to: (i) gaining an understanding of the process used in its elaboration; (ii) obtaining information to evaluate whether the terminology used is in accordance with the definitions in the reference framework; and (iii) obtaining information on whether the described control procedures are implemented and operating in the Company.
3. Review of documentation supporting the information specified in point 1 above, and that it has included, mainly the information made available to the staff responsible for drawing up information describing the ICFRS. Such documentation includes reports prepared by the internal audit function, senior management and other internal or external specialists when supporting the audit committee.
4. Comparison of information specified in point 1 above with the knowledge of the Company's ICFRS obtained from the application of the procedures in the framework of audit work for the financial statements.
5. Reading of minutes of meetings of the Board of Directors, audit committee and other committees of the Company to evaluate the consistency between matters addressed therein related to the ICFRS and the information specified in point 1 above.
6. Acquisition of the General Representation Letter relating to work properly performed signed by persons responsible for preparing and approving the information specified in point 1 above.

No inconsistencies or incidences that might affect information on the ICFRS were detected through the procedures performed in relation to such disclosures.

This report has been prepared exclusively in the framework of the requirements laid down by the Securities Market Act 24/1988 of 28 July, as amended by the Sustainable Economy Act 2/2011 of 4 March and the CNMV Draft Circular of 26 October 2011 for the description of the ICFRS in Annual Corporate Governance Reports.

DELOITTE, S.L.

Javier Parada Pardo

19 February 2013