

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

# ferrovial

Pursuant to the Consolidated Text of the Spanish Securities Market Act (Texto Refundido de la Ley del Mercado de Valores), FERROVIAL, S.A. (the Company or FERROVIAL), communicates the following:

At its meeting of 28 February 2018, the Board of Directors of FERROVIAL has resolved to call the Annual General Shareholders' Meeting of the Company, to be held in the Auditorio ONCE, at Paseo de la Habana 208, Madrid (28036), Spain, on Thursday 5 April 2018 at 12:30 pm at second call, in the event that the required quorum is not reached for the General Shareholders' Meeting to be held at first call on the previous day 4 April, at the same place and time.

Attached is the full text of the call of the meeting and the proposed resolutions that will be submitted for the approval of the shareholders thereat, including a report explaining the justification and advisability of the resolutions.

Madrid, 28 February 2018

Santiago Ortiz Vaamonde  
Secretary of the Board of Directors of Ferrovial, S.A.

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

## ORDINARY GENERAL SHAREHOLDERS' MEETING

**FERROVIAL, S.A.**

### CALL OF THE MEETING

The Board of Directors of Ferrovial, S.A. (the "**Company**") has resolved to call the Ordinary General Shareholders' Meeting, to be held at the ONCE Auditorium, Paseo de la Habana number 208, 28036 Madrid, on **Thursday, 5 April 2018, at 12:30, on second call**, in the event that, due to failure to reach the required quorum, such Meeting cannot be held on first call (which, by virtue of the present notice is likewise called at the same venue and hour on the previous day, 4 April), in order to debate and, where applicable, adopt resolutions on the following

### AGENDA

#### **I. MATTERS SUBMITTED FOR APPROVAL**

1. Examination and approval, as appropriate, of the individual financial statements -balance sheet, profit and loss statement, statement of changes in net equity, cash flow statement and notes to the financial statements- and the management report of Ferrovial, S.A., as well as the consolidated financial statements and the management report for the consolidated group, with respect to the financial year ended 31 December 2017.
2. Application of results for financial year 2017.
3. Examination and approval, as appropriate, of the management of the Board of Directors carried out in financial year 2017.
4. Reappointment of auditors for the Company and its consolidated group.
5. First share capital increase in the amount to be determined, by issuing new ordinary shares with a par value of twenty euro cents (€0.20) each, against reserves, with no share premium, all of the same class and series as those currently outstanding, offering shareholders the possibility of selling the free-of-charge allocation rights to the Company itself (at a guaranteed price) or on the market. Delegation of powers to the Board of Directors (with express power of sub-delegation) to establish the date the increase is to be executed and the terms of the increase in all respects not provided for by the General Meeting, as well as to undertake the actions necessary to ensure its execution, to amend article 5 of the Bylaws related to share capital and to grant as many public and private documents as are necessary to execute the increase, all in accordance with article 297.1.a) of the Capital Companies Act. Application before the competent bodies for admission of the new shares to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the automated quotation system (*Sistema de Interconexión Bursátil*) (Continuous Market).
6. Second share capital increase in the amount to be determined, by issuing new ordinary shares with a par value of twenty euro cents (€0.20) each, against reserves, with no share

premium, all of the same class and series as those currently outstanding, offering shareholders the possibility of selling the free-of-charge allocation rights to the Company itself (at a guaranteed price) or on the market. Delegation of powers to the Board of Directors (with express power of sub-delegation) to establish the date the increase is to be executed and the terms of the increase in all respects not provided for by the General Meeting, as well as to undertake the actions necessary to ensure its execution, to amend article 5 of the Bylaws related to share capital and to grant as many public and private documents as are necessary to execute the increase, all in accordance with article 297.1.a) of the Capital Companies Act. Application before the competent bodies for admission of the new shares to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the automated quotation system (*Sistema de Interconexión Bursátil*) (Continuous Market).

7. Approval of a share capital reduction by means of the redemption of a maximum of 20,439,148 of the Company's own shares, representing 2.791% of the Company's current share capital. Delegation of powers to the Board of Directors (with the express power of sub-delegation) to establish any other conditions for the capital reduction not foreseen by the General Meeting, including, among other issues, the powers to amend article 5 of the Bylaws related to share capital and to apply for the delisting and cancellation from the book-entry registers of the amortized shares.
8. Delegation of powers to interpret, rectify, supplement, execute and implement the resolutions adopted by the General Shareholder's Meeting and delegation of powers to express and register those resolutions as public instruments. Empowerment to file the financial statements as referred to in article 279 of the Capital Companies Act.

## **II. MATTERS SUBMITTED FOR ADVISORY VOTE**

9. Annual Report on Directors' Remuneration (article 541.4 of the Capital Companies Act).

## **III. MATTERS FOR INFORMATION**

10. Information on the amendments incorporated into the Regulations of the Board of Directors.

-----

### **1. SUPPLEMENT TO THE CALL OF THE MEETING**

In accordance with article 519 of the Capital Companies Act, shareholders representing, at least, three per cent (3%) of the share capital may: (i) request the publication of a supplement to this call of the Shareholders' Meeting, including one or more items to the Agenda, provided that the new items are accompanied by a justification or, where applicable, a reasoned proposal of resolution; and (ii) present reasoned proposal of resolutions on the items already on the Agenda or to be added to the Agenda. To this end, shareholders must satisfactorily demonstrate to the Company that they represent, at least, the mentioned percentage of share capital and send that information by means of verifiable notice, which must be received at the Company's registered office, for the attention of the General Secretariat (135 Principe de Vergara, 28002 Madrid) within five days of the publication of this call of the Meeting.

### **2. ELECTRONIC SHAREHOLDERS' FORUM**

In accordance with article 539.2 of the Capital Companies Act, from the date of publication of this call, an Electronic Shareholders' Forum will be available on the Company's website ([www.ferrovial.com](http://www.ferrovial.com)) which may be accessed by individual shareholders as well as by voluntary

shareholder associations created and registered with the Commercial Registry corresponding to the registered office of Ferrovial, S.A. and with the special Register created for this purpose by the Spanish National Securities Market Commission. The rules and conditions for the Forum's functioning and usage, approved by the Board of Directors and with which shareholders must comply, will be available on the Company's website. In order to access the Forum, shareholders must accredit their condition as shareholder as indicated on the website, and they must identify themselves in accordance with the stipulations in section 7.2 of this call. In accordance with the Law and the rules for use, individual shareholders and shareholder associations may publish proposals intended to be submitted as a supplement to the announced Agenda, requests for adherence to such proposals, initiatives to reach the percentage required to exercise a minority right provided by Law, as well as voluntary proxy offers or solicitations.

### **3. RIGHT TO INFORMATION**

From the publication of the announcement of the call of the Meeting until the General Meeting is held, the Company will publish on its website ([www.ferrovial.com](http://www.ferrovial.com)) the documents mentioned below:

- The announcement of the call of the Shareholders' Meeting.
- The total number of shares and voting rights of Ferrovial, S.A. on the date of the call of the Shareholders' Meeting.
- The financial statements and management report of the Company with respect to the financial year ended 31 December 2017.
- The consolidated group's financial statements and management report of the Company with respect to the financial year ended 31 December 2017.
- The auditors' reports on the individual and consolidated financial statements of the Company.
- The statement of liability in connection with the financial statements.
- The Annual Corporate Governance Report for financial year 2017.
- The Annual Report on Directors' Remuneration for financial year 2017.
- The entire text of the proposal of resolutions -together with a brief description of the justification and advisability of each of them- for each item of the Agenda of the Shareholders' Meeting.
- The mandatory reports from the directors regarding items 5, 6, and 7 of the Agenda.
- The amendments incorporated into the Regulations of the Board of Directors since the last General Shareholders' Meeting was held.
- The operating reports of the Audit and Control Committee and the Nomination and Remuneration Committee.
- The report on the independence of the external auditor prepared by the Audit and Control Committee.
- The report on related-party transactions prepared by the Audit and Control Committee.

Additionally, the shareholders may examine at the Company's registered office in Madrid (135 Príncipe de Vergara), or request the submission or the delivery free of charge of a copy of (i) the individual and consolidated financial statements and management report of the Company for the

financial year ended on 31 December 2017, together with the respective audit reports; and (ii) the proposal of resolutions, the mandatory reports of the directors, together with the remaining documentation necessary for the General Shareholders' Meeting that must be made available to the Company's shareholders.

Until the fifth day prior to the date on which the General Shareholders' Meeting is scheduled to be held, the shareholders may request from the Board of Directors any information or clarification that they consider pertinent or ask written questions as they deem appropriate regarding (i) the items included on the Agenda; (ii) 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 (5 April 2017); or (iii) the auditors' report. For those purposes, shareholders may contact the Shareholder Relations' Department (+34 91 586 25 65 or [accionistas@ferrovial.com](mailto:accionistas@ferrovial.com)), and must identify themselves as shareholders, providing their forename and surname or corporate name, tax identification number, and the number of shares held by them. During the General Shareholders' Meeting, the shareholders may verbally request information or clarification on the mentioned points.

#### **4. RIGHT TO ATTEND THE MEETING**

Any shareholder who, either individually or in combination with other shareholders, holds at least one hundred (100) shares and such ownership is registered with the "*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.*" (*Iberclear*) five (5) days in advance of the date on which the Shareholders' Meeting is to be held, may participate and vote in the Meeting either in person or by means of distance communication. Shareholders wishing to attend in person must obtain an attendance card issued by the corresponding bank or a Ferrovial Attendance Card, following the instructions given therein. This card may be downloaded from the Company's website ([www.ferrovial.com](http://www.ferrovial.com)), or obtained from the Company's registered office or by contacting the Shareholder Relations' Department (+34 91 586 25 65 or [accionistas@ferrovial.com](mailto:accionistas@ferrovial.com)). The shareholders must identify themselves (with their national identification card or passport, or a power of attorney, in the case of a legal person) to the person in charge of the shareholder register. Shareholders wishing to attend the Meeting on-line should follow the instructions below.

#### **5. PROXIES**

Shareholders, who are entitled, and do not personally attend the Shareholders' Meeting can be represented by another person, even if the latter is not a shareholder, provided that the requirements and formalities set out in the law, in the Bylaws, in the Shareholders' Meeting Regulations and in this call are complied with.

The documents containing proxies must state the identity of the proxy-holder, who must identify him/herself appropriately on the day of the Meeting.

If the proxy form does not state a specific person to whom the shareholder grants proxy, or the proxy is granted to the Board of Directors, the proxy will be deemed granted interchangeably to the Chairman of the Board of Directors, the Vice-Chairmen, the CEO or the Board Secretary. In the event that the representative designated as stated above is involved in a conflict of interest upon voting on any of the proposals, whether included on the Agenda or otherwise, and no specific voting instructions were given, the proxy shall be deemed granted to any other person mentioned who is not in such a conflict.

The documents containing proxies for the General Shareholders' Meeting must set forth voting instructions. Absent such instructions, the proxy will be deemed to have been instructed to vote in favour of the proposed resolutions drawn up by the Board of Directors in connection with the items on the Agenda, and to vote against any other item that is voted upon at the Shareholders'

Meeting but is not on the Agenda and which, therefore, could not have been known on the date the proxy was granted.

If the designated proxy is any member of the Board of Directors, it is hereby noted that he/she may incur in a conflict of interest relating to the proposed resolution made under item 9 of the Agenda. Lastly, any of the Directors may incur in a conflict of interest with respect to any proposed resolutions which are not included on the Agenda, when they refer to their removal as a Director or claims of liability against them.

## **6. ONLINE ATTENDANCE. PROXY-GRANTING AND VOTING BY MEANS OF DISTANCE COMMUNICATION**

The Board of Directors has resolved to authorise the exercise of attendance, voting and proxy granting rights through means of distance communication provided that (i) the guarantees of procedure and identification set out in this section 6; (ii) the guarantees regarding the period for reception, identification and accreditation of the status of shareholders set out in section 7; and (iii) the other requirements imposed by law are complied with.

Shareholders wishing to attend the Meeting on-line or exercise their proxy granting or voting rights by means of distance communication should log in to the Company's website ([www.ferrovial.com](http://www.ferrovial.com)) (the "Website") and click on the option "**General Shareholders' Meeting 2018 / Online Attendance, Remote Proxy-Granting and Vote**", and follow the instructions, providing all the information necessary for each procedure.

### **6.1 ONLINE ATTENDANCE AT THE MEETING**

- 6.1.1 Prior registration: shareholders, who are entitled, wishing to attend the Meeting online, must register beforehand within the registration period and in the manner established in section 7. For that purpose, the shareholder must access the Website and follow the instructions and fill in the necessary data for the register of shareholders who wish to attend the Meeting online.
- 6.1.2 Sending remarks and questions: when registering, shareholders wishing to address questions or remarks and/or to propose motions, where envisaged by Law, may submit them using the computer program. Questions and clarifications, proposals and remarks and, in the event, responses thereto, shall be subject to the provisions of the Law and the Shareholders' Meeting Regulations. In any event, (i) the shareholders who hold less than 100 shares; or (ii) the persons who are not shareholders; or (iii) the shareholders registered to attend online but who do not log in on the day of the Meeting, as provided in section 6.1.4 below, will not be considered as being in attendance (and any speeches, questions and proposals made by them during the registration process will be discarded).
- 6.1.3 Accreditation of registered persons' standing as shareholders: from the closing of the registration period and until the holding of the Shareholders' Meeting, the Company will verify the registered persons' standing as shareholders in accordance with the provisions of section 7.
- 6.1.4. Attendance at the Shareholders' Meeting: registered shareholders must connect to the Website between 11:45 and 12:15 hours on the day of the Meeting and identify themselves as stipulated in section 7.2 below. After that time, no additional connections for attendance will be accepted. Shareholders may follow the Meeting and vote on the items on the Agenda by following the instructions given by the computer program.

### **6.2 PROXY-GRANTING AND VOTING BY MEANS OF DISTANCE COMMUNICATION**

Shareholders can grant a proxy or vote by means of distance communication:

### **6.2.1 Voting and proxy-granting by electronic means prior to the Shareholders' Meeting:**

Procedure: shareholders who wish to grant a proxy or vote by electronic means prior to the Shareholders' Meeting must, in the period and manner set forth in section 7, visit the Website and follow the instructions of the computer program for proxy-granting or voting before the Meeting.

Specific provisions related to proxy-granting by electronic means: electronic proxies must be accepted by the proxy-holder; otherwise, they are not valid. For this purpose, it is understood that proxies accept the delegation if they present their ID or passport (and a power of attorney, if representing a legal person) at the venue of the Shareholders' Meeting in the two hours prior to the scheduled starting time and inform the person in charge of the shareholder register that they represent the shareholder who granted a proxy to them by electronic means.

The person to whom voting powers are delegated by electronic means may only exercise such powers by attending the Meeting in person.

### **6.2.2 Voting and proxy-granting via postal mail prior to the Shareholders' Meeting:**

Shareholders who wish to grant a proxy and/or vote by mail can do so as follows:

- A. Cards issued by depositories: shareholders must complete the sections on proxy-granting or voting, where applicable, in the card issued by the depository and send it by postal mail (a) to the registered offices, if they vote or grant a proxy in favour of the Board of Directors or one of its members; or (b) to the proxy-holder, if they grant a proxy to another person. In the latter case, proxy-holders must present the card issued by the depository and their ID or passport (and a power of attorney, if representing a legal person) at the venue of the Shareholders' Meeting within two hours prior to the scheduled starting time.
- B. Ferrovial Card: shareholders must complete their Ferrovial Card for Proxy or Voting and send the original or a photocopy to the Company in accordance with the instructions and together with the documents indicated on the Ferrovial Card or on the Website. Shareholders can obtain the Ferrovial Proxy/Voting Card by downloading and printing the document from the Company's website, within the established time frame and in accordance with section 7, collecting the card from the Company's registered offices or requesting that it be delivered free of charge from the Shareholder Relations' Department (telephone: +34 91 586 25 65 or [accionistas@ferrovial.com](mailto:accionistas@ferrovial.com)).

The person to whom voting powers are delegated via postal mail may only exercise such powers by attending the Meeting in person.

## **7. COMMON RULES ON ATTENDANCE, PROXY-GRANTING AND VOTING BY MEANS OF DISTANCE COMMUNICATION**

### **7.1 DEADLINE FOR RECEIPT BY THE COMPANY AND REGISTRATION OF SHAREHOLDERS / STANDING AS SHAREHOLDER**

In order to be valid, both proxies granted by means of distance communication and votes cast by means of distance communication (electronic means or postal mail) must be received by the Company at its registered offices or via the Website before 24:00 hours on 2 April 2018.

Likewise, shareholders, who are entitled, wishing to attend the Meeting by means of distance communication must register on the Website prior to 24:00 hours on 2 April 2018.

After that deadline, only the following proxy-granting and voting by means of distance communication will be accepted: (i) proxies granted using cards issued by depositories of shares and presented by the proxy to the staff in charge of the shareholder register in the two hours prior to the Meeting's scheduled starting time; and (ii) electronic voting by the shareholders attending online that have pre-registered within the above-mentioned period.

Proxies, votes and online attendance will only be valid if the person's standing as a shareholder (who is entitled to attend, in the cases of online attendance) is confirmed and the number of shares stated by each person attending, granting a proxy or voting by means of distance communication matches the data provided by Iberclear.

## **7.2 IDENTIFICATION OF SHAREHOLDERS WISHING TO USE ELECTRONIC OR ONLINE MEANS**

Shareholders wishing to grant a proxy or vote using means of distance communication or attend the Shareholders' Meeting online must accredit their identity, within the period established in section 7.1, using the computer program provided for this purpose on the Website, by means of: (i) an electronic ID card, or (ii) a valid, current, recognized electronic certificate issued in accordance with the provisions of Law 59/2003, of 19 December, on Electronic Signatures by "*Autoridad Pública de Certificación Española*" (CERES), an agency of the Spanish Mint, "*Fábrica Nacional de Moneda y Timbre*". The Company reserves the right to ask shareholders for any additional means of identification that it considers necessary to check their standing as shareholders and to ensure the authenticity of the vote, proxy or online attendance.

## **7.3 RULES OF PRIORITY BETWEEN PROXY-GRANTING AND VOTING BY MEANS OF DISTANCE COMMUNICATION AND ATTENDANCE IN PERSON**

Attendance at the Shareholders' Meeting in person by a shareholder who has previously granted a proxy or voted, irrespective of the means used, shall render said proxy or vote ineffective.

In the event that a shareholder has granted several proxies or cast several votes (whether electronic or by mail), the last action (proxy-granting or voting) made before the Shareholders' Meeting shall prevail. If there is uncertainty as to when the shareholder issued his/her proxy or vote then, regardless of the mean used, the vote will prevail over the proxy. If a shareholder casts several different votes via electronic means or by mail, the last vote cast before the Meeting takes precedence.

## **7.4 SUSPENSION OF ELECTRONIC SYSTEMS/INTERCONNECTION FAILURE**

The Company reserves the right to modify, suspend, cancel or restrict the mechanisms for online attendance, electronic voting and proxy-granting when required or imposed for technical or security reasons. If any of these events occur, this will be posted immediately on the Website, without prejudice to the validity of votes and proxies issued and the shareholders' rights of attendance and representation.

The Company shall not be liable for any damage that shareholders may sustain as a result of failures, overloads, downtime, failed connections or any other events of the same or similar nature which are beyond the Company's control and prevent the use of the mechanisms for online attendance, electronic voting and proxy-granting. Therefore, such circumstance shall not constitute illegitimate deprivation of the shareholder's right to vote.

## **8. DATA PROTECTION**

The personal data (i) that shareholders send to the Company in order to access the Electronic Shareholders' Forum and attend, grant a proxy or vote at the Shareholders' Meeting; (ii) provided by the banks and brokerage firms with which shareholders have deposited their shares, via the legal person that registers the book entries, Iberclear; or (iii) contained in the documents referred



to in section 3, will be processed by the Company, as owner of the data file, in order to manage the development, compliance, and control of the existing shareholders list and of the notice, celebration and broadcast of the Shareholders' Meeting and compliance with the applicable legislation. To this end, the data will be disclosed to the Notary who minutes the Shareholders' Meeting and will be provided to third parties for the aforementioned purposes and, in particular, for exercising the right to information or to exercise the rights granted to the shareholders in the Electronic Shareholders' Forum. The legitimisation of this processing of data is based on the existing shareholder relationship and the compliance of statutory requirements under commercial law. The data will be retained during the development of this list and the years necessary to comply with the mentioned statutory requirements.

Part or all of the celebration of the Shareholders' Meeting may be recorded by audiovisual means and made public via the Company's website ([www.ferrovial.com](http://www.ferrovial.com)) or shared via its profile on the social media sites Twitter, LinkedIn, Facebook, Google+ and YouTube. Therefore, attendees at the General Meeting expressly authorise the taking of photos, videos and/or voice recordings, and their reproduction and/or publication under the foregoing terms, transferring to the Company, without any geographical or time limitation, the property rights to which it may be entitled, waiving any right to remuneration. The legitimisation of this processing of data is based on its consent.

Shareholders may exercise their rights to access, correct, cancel and object to processing of their data in accordance with the provisions of Organic Act 15/1999, of 13 December, concerning the Protection of Personal Data, by giving written notice addressed to the General Secretariat of the Company, at 135 Príncipe de Vergara, 28002 Madrid.

Where the shareholder enters the personal data of other natural persons on proxy or voting cards, the shareholder must inform them of the contents of the preceding paragraphs and comply with any other requirements that may be applicable for the correct transfer of personal data to the Company, without the latter being required to take any additional action in terms of disclosure or consent.

---

In accordance with article 203.1 of the Capital Companies Act, the Board of Directors has resolved to request the presence of a Notary Public to record the minutes of the Meeting.

**Shareholders are informed that the Shareholders' Meeting will foreseeably take place on SECOND CALL, on THURSDAY, 5 APRIL 2018.**

Madrid, 28 February 2018

Santiago Ortiz Vaamonde  
Non-Board Member Secretary of the Board of Directors

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

## **PROPOSED RESOLUTIONS ORDINARY GENERAL SHAREHOLDERS' MEETING**

**FERROVIAL, S.A.  
5 APRIL 2018**

### **I. MATTERS SUBMITTED FOR APPROVAL**

#### **ITEM ONE OF THE AGENDA.**

**EXAMINATION AND APPROVAL, AS APPROPRIATE, OF THE INDIVIDUAL FINANCIAL STATEMENTS (BALANCE SHEET, PROFIT AND LOSS STATEMENT, STATEMENT OF CHANGES IN NET EQUITY, CASH FLOW STATEMENT AND NOTES TO THE FINANCIAL STATEMENTS) AND THE MANAGEMENT REPORT OF FERROVIAL, S.A., AS WELL AS THE CONSOLIDATED FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT FOR THE CONSOLIDATED GROUP, WITH RESPECT TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2017.**

#### **Justification and advisability of the proposal:**

By means of this resolution, the Company complies with article 164 of the Consolidated Text of the Capital Companies Act, approved by Legislative Royal Decree 1/2010, of 2 July (hereafter "Capital Companies Act"), which requires that the General Shareholders' Meeting approve the financial statements and management report, previously drawn up by the Board of Directors, within six months from the end of the financial year to which they refer.

Moreover, and in accordance with article 42 of the Commerce Code, the consolidated financial statements of the group whose parent company is Ferrovial, S.A. (hereafter the "**Company**") are also submitted for approval. In conformity with article 43 *bis* of the Commerce Code, the financial statements are presented in accordance with the International Financial Reporting Standards (IFRS).

#### **Proposed resolution:**

"To approve the financial statements (balance sheet, profit and loss statement, statement of changes in net equity, cash flow statement and notes to the financial statements) and the management report of Ferrovial, S.A. and its consolidated group, drawn up by the Board of Directors, with respect to the financial year ended 31 December 2017."

#### **ITEM TWO OF THE AGENDA.**

**APPLICATION OF RESULTS FOR FINANCIAL YEAR 2017.**

#### **Justification and advisability of the proposal:**

With this proposal, which is supplemented by the scrip dividends proposed as part of the Ferrovial Flexible Dividend Program (items five and six of the agenda) and by the capital reduction proposed in item seven of the agenda, the Board maintains a shareholder remuneration policy supported by the strength of the group's balance sheet and businesses.

**Proposed resolution:**

"To approve the allocation of financial year 2017 income, which amounts to 97,589,632.72 euro in its entirety to voluntary reserves."

**ITEM THREE OF THE AGENDA.**

**EXAMINATION AND APPROVAL, AS APPROPRIATE, OF THE MANAGEMENT OF THE BOARD OF DIRECTORS CARRIED OUT IN FINANCIAL YEAR 2017.**

**Justification and advisability of the proposal:**

The General Shareholders' Meeting must approve the conduct of business (article 164 of the Capital Companies Act) within six months from the end of the financial year in question.

**Proposed resolution:**

"To approve the management carried out by the Board of Directors during the financial year 2017."

**ITEM FOUR OF THE AGENDA.**

**REAPPOINTMENT OF AUDITORS FOR THE COMPANY AND ITS CONSOLIDATED GROUP.**

**Justification and advisability of the proposal:**

The current audit firm of the Company and its group, Deloitte, S.L., was appointed by the Shareholders' Meeting on 29 June 2010 for an initial period of three years, which concluded at the end of 2012. It was reappointed for the financial years 2013, 2014, 2015, 2016 and 2017 by resolution of the Ordinary General Shareholders' Meetings held on 22 March 2013, 26 June 2014, 27 March 2015, 4 May 2016 and 5 April 2017, respectively.

In accordance with article 264 of the Capital Companies Act, the General Shareholders' Meeting is entrusted with appointing auditors and this must be done before the end of the year to be audited.

In accordance with articles 529 *quaterdecies*.4 d) of the Capital Companies Act and article 51.3.d) of the By-laws, the Audit and Control Committee is responsible for proposing the appointment of the auditors to the Board of Directors, for submission to the General Shareholders' Meeting.

In application of those provisions, and at the proposal of the Audit and Control Committee, the proposal to renew the current auditor is submitted to the General Shareholders' Meeting.

**Proposed resolution:**

"To reappoint DELOITTE, S.L., domiciled in Madrid, Plaza Pablo Ruiz Picasso, no. 1, registered in the Madrid Mercantile Register, volume 13,650, sheet 188, section 8, page M-54414, registered in *ROAC* under no. S-0692 and with company tax number B-79104469,

as the auditor of the accounts of Ferrovial, S.A. and of its consolidated group, for a period of one year (2018).”

#### **ITEM FIVE OF THE AGENDA.**

**FIRST SHARE CAPITAL INCREASE IN THE AMOUNT TO BE DETERMINED, BY ISSUING NEW ORDINARY SHARES WITH A PAR VALUE OF TWENTY EURO CENTS (€0.20) EACH, AGAINST RESERVES, WITH NO SHARE PREMIUM, ALL OF THE SAME CLASS AND SERIE AS THOSE CURRENTLY OUTSTANDING, OFFERING SHAREHOLDERS THE POSSIBILITY OF SELLING THE FREE-OF-CHARGE ALLOCATION RIGHTS TO THE COMPANY ITSELF (AT A GUARANTEED PRICE) OR ON THE MARKET. DELEGATION OF POWERS TO THE BOARD OF DIRECTORS (WITH EXPRESS POWER OF SUB-DELEGATION) TO ESTABLISH THE DATE THE INCREASE IS TO BE EXECUTED AND THE TERMS OF THE INCREASE IN ALL RESPECTS NOT PROVIDED FOR BY THE GENERAL MEETING, AS WELL AS TO UNDERTAKE THE ACTIONS NECESSARY TO ENSURE ITS EXECUTION, TO AMEND ARTICLE 5 OF THE BYLAWS RELATED TO SHARE CAPITAL, AND TO GRANT AS MANY PUBLIC AND PRIVATE DOCUMENTS AS ARE NECESSARY TO EXECUTE THE INCREASE, ALL IN ACCORDANCE WITH ARTICLE 297.1.A) OF THE CAPITAL COMPANIES ACT. APPLICATION BEFORE THE COMPETENT BODIES FOR ADMISSION OF THE NEW SHARES TO LISTING ON THE MADRID, BARCELONA, BILBAO AND VALENCIA STOCK EXCHANGES THROUGH THE AUTOMATED QUOTATION SYSTEM (*SISTEMA DE INTERCONEXIÓN BURSÁTIL*) (CONTINUOUS MARKET).**

#### **Justification and advisability of the proposal:**

The Company has traditionally remunerated its shareholders through the payment of cash dividends and intends to maintain a policy that allows the shareholders, if they wish, to receive all of their compensation in cash.

In order to improve the system of shareholder remuneration and pursuant to the latest trends followed in this area by other IBEX-35 companies, in 2014 for the first time the Company offered its shareholders an option (called “Ferrovial Flexible Dividend”) which, without limiting their ability to receive their full remuneration in cash if they so desired, allowed them to receive shares of the Company with the tax benefits applicable to free-of-charge shares. This formula has been repeated in 2015, 2016 and 2017.

Given its positive reception, the Company decided to offer the same option this year, in substitution for what would have been the traditional payments of the supplementary dividend for 2017 and the interim dividend for 2018.

Thus, the purpose of the capital increase proposals submitted to the General Shareholders’ Meeting is to offer once again all the shareholders the possibility of receiving new free-of-charge shares in the Company, without altering the Company’s policy of remunerating its shareholders in cash: they may opt, as an alternative, to receive an amount in cash by transferring their free-of-charge allocation rights to the Company (if they do not sell on the market), as explained herein below.

In compliance with articles 286 and 296 of the Capital Companies Act, the Board of Directors has drawn up a report justifying this proposal and that which, under item six of the agenda, is submitted to the General Shareholders’ Meeting, insofar as the approval of the resolution and its implementation necessarily require an amendment of article 5 of the Company’s By-Laws, on the share capital. This report is made available to shareholders upon the call of the General Shareholders’ Meeting.

## Proposed resolution:

"To approve an increase in share capital (the "**Capital Increase**") for an amount equal to the product of multiplying: (a) the par value of twenty euro cents (€0.20) per share of Ferrovial, S.A. (the "**Company**") by (b) the total number of new shares of the Company resulting from the application of the formula indicated in section 2 below. The Capital Increase will be subject to the following terms:

### 1. Capital increase against reserves

The Capital Increase is executed through the issue and circulation of a determinable number of new Company shares resulting from the application of the formula indicated in section 2 below (the new shares issued pursuant to this resolution will be jointly referred as "**New Shares**" and each of them individually as a "**New Share**").

The Capital Increase is made through the issue and circulation of new ordinary shares having a par value of twenty euro cents (€0.20) each, of the same class and series as those currently in circulation, represented by book entries.

The Capital Increase will be made entirely against the reserves provided for in article 303.1 of the Capital Companies Act. When making the Capital Increase, the Board of Directors will specify the reserve(s) to be used and the amount of that reserve according to the balance sheet used as the basis for the Capital Increase.

The New Shares are issued at par, meaning, for the nominal value of twenty euro cents (€0.20), with no share premium, and will be allocated to the shareholders of the Company without charge.

The Capital Increase may be executed by the Board of Directors in the year following the date of adoption of this resolution, without having to reconvene this General Shareholders' Meeting, and by taking into consideration the legal and financial conditions prevailing at the time of said execution with a view to offering Company shareholders a flexible and efficient compensation formula.

Article 311 of the Capital Companies Act provides for the possibility of an incomplete allocation of the Capital Increase.

### 2. New Shares to be issued under the Capital Increase

The maximum number of New Shares to be issued under the Capital Increase will be determined by applying the following formula, rounding the result down to the nearest whole number:

$$\text{MNNS} = \text{NES} / \text{No. Rights per share}$$

where,

"MNNS" = Maximum number of New Shares to be issued in the Capital Increase;

"NES" = number of outstanding shares in the Company at the date on which the Board of Directors resolves to implement the Capital Increase, and

"No. Rights per share" = number of free-of-charge allocation rights required for the allocation of one New Share in the Capital Increase, which will be the result of applying the following formula, rounded up to the nearest whole number:

$$\text{No. Rights per Share} = \text{NES} / \text{Provisional no. shares}$$

where,

“Provisional no. shares” = Amount of the Alternative Option / Share Price

For this purpose, “Share Price” will be the arithmetic mean of the weighted average prices of the Company’s share on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges over the five (5) trading sessions prior to the day of the resolution adopted by the Board of Directors to implement the Capital Increase, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro.

Likewise, the “Amount of the Alternative Option” is the market value of the Capital Increase and will equal 234,324,951.04 euros.

### 3. Free-of-charge allocation rights

In each Capital Increase each share of the Company in circulation will entitle its holder to one (1) free-of-charge allocation right.

The number of free-of-charge allocation rights needed to receive one New Share will be determined automatically according to the ratio of the number of New Shares to be issued (MNNS) to the number of outstanding shares (NES) at that time, calculated using the formula established in section 2 above. In particular, shareholders will be entitled to receive one New Share for a number of free-of-charge allocation rights determined according to section 2 above (Num. Rights per share), that they hold.

If the number of free-of-charge allocation rights required for the allocation of one new share in the Capital Increase (No. of rights per share) multiplied by the maximum number of New Shares to be issued (MNNS) were to result in a number below the number of outstanding shares in the Company (NES) on the date of execution of the Capital Increase, the Company (or an entity within its group that holds Company shares, as applicable) will waive a number of free-of-charge allocation rights equal to the difference between the two figures, for the sole purpose of ensuring that the number of new shares is a whole number and not a fraction.

Free-of-charge allocation rights will be allocated to whom being entitled to receive them according to the accounting registers of *Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal* (Iberclear) on the appropriate date pursuant to the regulations in effect regarding the registration, compensation and settlement of securities.

Free-of-charge allocation rights may be transferred under the same conditions as the shares in respect of which they are granted. Free-of-charge allocation rights may be traded on the market for such time as may be determined by the Board of Directors, at least fifteen (15) calendar days. During that period, sufficient free-of-charge allocation rights may be acquired on the market in the necessary proportion to receive New Shares.

### 4. Irrevocable commitment to purchase free-of-charge allocation rights

The Company will irrevocably undertake to purchase the free-of-charge allocation rights assigned in the Capital Increase, at the price indicated below, pursuant to section 3 above (the “**Purchase Commitment**”).

Accordingly, the Purchase Commitment will only cover the allocation rights received by the Company’s shareholders free of charge, not those purchased or otherwise acquired on the market, and will be in force and may be accepted during such time, within the trading period of the rights, as may be determined by the Board of Directors. To that end, it is agreed to authorise the Company to acquire said free-of-charge allocation rights (as well as the New Shares that correspond to the same), up to the maximum limit of the total

number of rights issued, in all cases with due observance of any applicable legal restrictions.

The "Purchase Price" of each free-of-charge allocation right will be determined by the following formula, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro:

Purchase Price = Share Price / (No. Rights per share +1).

The Company will foreseeably waive the free-of-charge allocation rights acquired under the aforementioned Purchase Commitment, and the capital would be increased only by the amount corresponding to the free-of-charge allocation rights in respect of which no waiver has been made.

The Company's acquisition of the free-of-charge allocation rights under the Purchase Commitment may be made, whether in whole or in part, against the reserves as set forth in Article 303.1 of the Capital Companies Act.

5. Balance sheet for the transaction and reserve against which the Capital Increase is made

The operation is based on the balance sheet corresponding to the year ended 31 December 2017, duly audited and approved by this Ordinary General Shareholders' Meeting.

As indicated, the Capital Increase will be made entirely against the reserves provided for in Article 303.1 of the Capital Companies Act. When executing the Capital Increase, the Board of Directors will specify the reserve(s) to be used and the amount of that reserve according to the balance sheet used as the basis for the Capital Increase.

6. Representation of the New Shares

The newly-issued shares will be represented by book entries, the book-entry registration of which is entrusted to the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal ("Iberclear")* and its member entities.

7. Rights of the New Shares

The New Shares entitle the holders to the same financial and voting rights as the Company's ordinary shares currently outstanding as from the date on which the Capital Increase is declared subscribed and paid up.

8. Shares on deposit

Once the period for trading the free-of-charge allocation rights has ended, the New Shares that remain unallocated for reasons not attributable to the Company will be kept on deposit for those who provide evidence that they are the lawful holders of the corresponding free-of-charge allocation rights. Once three years have elapsed from the end of the aforementioned period for trading the free-of-charge allocation rights, the New Shares that are still pending allocation may be sold in accordance with the provisions of Article 117 of the Capital Companies Act, at the expense and peril of the interested parties. The cash amount from such sale will be deposited with *Banco de España* or with *Caja General de Depósitos* at the disposal of the interested parties.

9. Application for admission to listing

The Company will apply for listing of the New Shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market), expressly putting on record that the Company

submits to existing or future laws and regulations governing the stock market, particularly regarding trading, minimum time frames and delisting.

It is expressly stated for the record that, in the event of a subsequent request for delisting of the Company shares, said delisting will be carried out with the formalities that apply thereto and, in such event, the interests of the shareholders opposing or not voting on the resolution to delist will be safeguarded, in compliance with the requirements established in the Capital Companies Act and related provisions, all in accordance with the consolidated Securities Market Act (*Ley del Mercado de Valores*) and the provisions issued by way of implementation thereof in effect at any time.

#### 10. Execution of the Capital Increase

The Board of Directors may agree to implement the Capital Increase, setting the date and the terms of its execution and all matters not covered herein, within a maximum period of one year from the date of this resolution.

Notwithstanding the foregoing, if the Board of Directors considers it inadvisable to make a Capital Increase within the time period indicated, given market conditions, the circumstances of the Company itself, or any socially or economically significant fact or event, a proposal may be submitted to the General Meeting to revoke said increase. Moreover, the Capital Increases will have no effect if the Board of Directors does not exercise the authorities delegated to it within the period of one year, with the duty to inform the shareholders thereof at the first General Meeting held thereafter.

After the end of the trading period for free-of-charge allocation rights in respect of each Capital Increase:

(a) The new shares will be allocated to those shareholders who hold the free-of-charge allocation rights according to the registers kept by Iberclear and its members in the proportions resulting from the previous sections.

(b) The Board of Directors will declare the free-of-charge allocation rights trading period over and will apply the reserves in the Company's accounts in the amount of the corresponding Capital Increase, which will be deemed paid up by that application.

Similarly, once the period to trade free-of-charge allocation rights has elapsed, the Board of Directors will adopt the corresponding resolution to (i) modify the By-laws in order to reflect the new share capital figure and the number of New Shares resulting from the Capital Increase; and (ii) apply for listing of the New Shares resulting from the Capital Increase on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

#### 11. Delegation of powers to execute the Capital Increase

Pursuant to Article 297.1.a) of the Capital Companies Act, it is resolved to delegate to the Board of Directors, with express sub-delegation authority conferred to the Executive Committee, the Chairman or the Chief Executive Officer, the faculty to establish the conditions of the Capital Increase in any aspects not stipulated by this resolution. In particular, and by way of illustration, the following faculties are delegated to the Board of Directors, with express sub-delegation authority to confer to the Executive Committee, the Chairman or the Chief Executive Officer:

a) To set, within the timeframes established in section 10 above, without exception, the date upon which the Capital Increase, approved by virtue of this resolution, is to be implemented, and to determine the reserves, from among those contemplated in this resolution, with a charge to which the Capital Increase will be implemented, and the time and date of reference for allocation of the freely assigned rights.

b) To set the exact amount of the Capital Increase, the number of New Shares, and the



free-of-charge allocation rights necessary for the allocation of New Shares, applying the rules established by the shareholders at this General Shareholders' Meeting for such purpose.

c) To set the duration of the period to trade free-of-charge allocation rights, with a minimum of fifteen (15) calendar days.

d) To establish a period during which the Purchase Commitment will be in force and to fulfil the Purchase Commitment by paying the corresponding amounts to the holders of free-of-charge allocation rights who have accepted said commitment.

e) To declare the Capital Increase closed and implemented, and to declare, if applicable, the existence of an incomplete allocation.

f) To amend article 5 of the Company's Bylaws regarding share capital, to reflect the results of the Capital Increase.

g) To waive the New Shares corresponding to the free-of-charge allocation rights held by the Company at the end of the period for trading such rights as a result of the Purchase Commitment.

h) To waive, as appropriate, the free-of-charge allocation rights to subscribe for New Shares to ensure that the number of New Shares is a whole number and not a fraction.

i) To perform all of the formalities necessary to ensure that the New Shares resulting from the Capital Increase are included in the accounting records of Iberclear and admitted for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, according to the procedure established by each, and to take any action necessary or appropriate to implement and formalise the Capital Increase before any public or private entities and agencies, whether domestic or foreign, including acts for purposes of representation or supplementation or to remedy defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions."

#### **ITEM SIX OF THE AGENDA.**

**SECOND SHARE CAPITAL INCREASE IN THE AMOUNT TO BE DETERMINED, BY ISSUING NEW ORDINARY SHARES WITH A PAR VALUE OF TWENTY EURO CENTS (€0.20) EACH, AGAINST RESERVES, WITH NO SHARE PREMIUM, ALL OF THE SAME CLASS AND SERIE AS THOSE CURRENTLY OUTSTANDING, OFFERING SHAREHOLDERS THE POSSIBILITY OF SELLING THE FREE-OF-CHARGE ALLOCATION RIGHTS TO THE COMPANY ITSELF (AT A GUARANTEED PRICE) OR ON THE MARKET. DELEGATION OF POWERS TO THE BOARD OF DIRECTORS (WITH EXPRESS POWER OF SUB-DELEGATION) TO ESTABLISH THE DATE THE INCREASE IS TO BE EXECUTED AND THE TERMS OF THE INCREASE IN ALL RESPECTS NOT PROVIDED FOR BY THE GENERAL MEETING, AS WELL AS TO UNDERTAKE THE ACTIONS NECESSARY TO ENSURE ITS EXECUTION, TO AMEND ARTICLE 5 OF THE BYLAWS RELATED TO SHARE CAPITAL, AND TO GRANT AS MANY PUBLIC AND PRIVATE DOCUMENTS AS ARE NECESSARY TO EXECUTE THE INCREASE, ALL IN ACCORDANCE WITH ARTICLE 297.1.A) OF THE CAPITAL COMPANIES ACT. APPLICATION BEFORE THE COMPETENT BODIES FOR ADMISSION OF THE NEW SHARES TO LISTING ON THE MADRID, BARCELONA, BILBAO AND VALENCIA STOCK EXCHANGES THROUGH THE AUTOMATED QUOTATION SYSTEM (*SISTEMA DE INTERCONEXIÓN BURSÁTIL*) (CONTINUOUS MARKET).**

**Justification and advisability of the proposal:**

As stated in the justification of the proposal under the previous agenda item, the Company, continuing the "Ferrovial Flexible Dividend" program, plans to replace what would have been the traditional final dividend of 2017 and the interim dividend of 2018 with two issues of free-of-charge shares, although preserving its shareholders' right to receive a cash remuneration if they prefer.

Thus, the purpose of the two capital increase proposals submitted to the General Shareholders' Meeting is to offer all the shareholders the possibility of receiving new free-of-charge shares in the Company, without altering the policy of remunerating shareholders in cash: they may opt, as an alternative, to receive an amount in cash by transferring their free-of-charge allocation rights to the Company (if they do not sell on the market), as explained herein below.

The two capital increases serve the same purpose and are implemented identically. Nevertheless, each is independent of the other and will be executed on different dates. Ferrovia, S.A. may even decide not to implement one or both, in which case the corresponding increase would be ineffective.

In compliance with articles 286 and 296 of the Capital Companies Act, the Board of Directors has drawn up a report justifying this proposal and that which, under item six of the agenda, is submitted to the General Shareholders' Meeting, insofar as the approval of the resolution and its implementation necessarily require an amendment of article 5 of the Company's Bylaws, on the share capital. This report is made available to shareholders upon the call of the General Shareholders' Meeting.

#### **Proposed resolution:**

"To approve an increase in share capital (the "**Capital Increase**") for an amount equal to the product of multiplying: (a) the par value of twenty euro cents (€0.20) per share of Ferrovia, S.A. (the "**Company**") by (b) the total number of new shares of the Company resulting from the application of the formula indicated in section 2 below. The Capital Increase will be subject to the following terms:

##### 1. Capital increase against reserves

The Capital Increase is executed through the issue and circulation of a determinable number of new Company shares resulting from the application of the formula indicated in section 2 below. (The new shares issued pursuant to this resolution will be jointly referred as "**New Shares**" and each of them individually as a "**New Share**").

The Capital Increase is made through the issue and circulation of new ordinary shares having a par value of twenty euro cents (€0.20) each, of the same class and series as those currently outstanding, represented by book entries.

The Capital Increases will be made entirely against the reserves provided for in article 303.1 of the Capital Companies Act. When executing the Capital Increase, the Board of Directors will specify the reserve(s) to be used and the amount of that reserve according to the balance sheet used as the basis for the Capital Increase.

The New Shares are issued at par, meaning, for the nominal value of twenty euro cents (€0.20), with no share premium, and will be allocated to the shareholders of the Company without charge.

The Capital Increase may be executed by the Board of Directors in the year following the date of adoption of this resolution, without having to reconvene this General Shareholders' Meeting, and by taking into consideration the legal and financial conditions prevailing at the time of said execution with a view to offering Company shareholders a flexible and efficient compensation formula.

Article 311 of the Capital Companies Act provides for the possibility of an incomplete allocation of the Capital Increase.

## 2. New Shares to be issued under the Capital Increase

The maximum number of New Shares to be issued under the Capital Increase will be determined by applying the following formula (rounding the result down to the nearest whole number):

$$\text{MNNS} = \text{NES} / \text{No. Rights per share}$$

where,

“MNNS” = Maximum number of New Shares to be issued in the Capital Increase;

“NES” = number of outstanding shares in the Company at the date on which the Board of Directors resolves to implement the Capital Increase, and

“No. Rights per share” = number of free-of-charge allocation rights required for the allocation of one New Share in the Capital Increase, which will be the result of applying the following formula, rounded up to the nearest whole number:

$$\text{No. Rights per Share} = \text{NES} / \text{Provisional no. shares}$$

where,

“Provisional no. shares” = Amount of the Alternative Option / Share Price

For this purpose, “Share Price” will be the arithmetic mean of the weighted average prices of the Company’s share on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges over the five (5) trading sessions prior to the date of the resolution adopted by the Board of Directors to implement the Capital Increase, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro.

Likewise, the “Amount of the Alternative Option” is the market value of the Capital Increase which shall be established by the Board of Directors, depending upon the number of shares that are in circulation at that time (i.e. the NES) and on the remuneration paid and foreseen to be paid to the shareholders against the results for fiscal year 2018 up to that point, which figure may not exceed 310,680,969.06 euros.

## 3. Free-of-charge allocation rights

In each Capital Increase each share of the Company in circulation will entitle its holder to one (1) free-of-charge allocation right.

The number of free-of-charge allocation rights needed to receive one New Share will be determined automatically according to the ratio of the number of New Shares to be issued (MNNS) to the number of outstanding shares (NES) at that time, calculated using the formula established in section 2 above. In particular, shareholders will be entitled to receive one New Share for a number of free-of-charge allocation rights determined according to section 2 above (Num. Rights per share), that they hold.

If the number of free-of-charge allocation rights required for the allocation of one new share in the Capital Increase (No. of rights per share) multiplied by the maximum number of New Shares to be issued (MNNS) were to result in a number below the number of outstanding shares in the Company (NES) on the date of execution of the Capital Increase, the Company (or an entity within its group that holds Company shares, as applicable) will waive a number of free-of-charge allocation rights equal to the difference between the two

figures, for the sole purpose of ensuring that the number of new shares is a whole number and not a fraction.

Free-of-charge allocation rights will be allocated to whom being entitled to receive them according to the accounting registers of *Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal* ("Iberclear") on the appropriate date pursuant to the regulations in effect regarding the registration, compensation and settlement of securities.

Free-of-charge allocation rights may be transferred under the same conditions as the shares in respect of which they are granted. Free-of-charge allocation rights may be traded on the market for such time as may be determined by the Board of Directors, at least fifteen (15) calendar days. During that period, sufficient free-of-charge allocation rights may be acquired on the market in the necessary proportion to receive New Shares.

#### 4. Irrevocable commitment to purchase free-of-charge allocation rights

The Company will irrevocably undertake to purchase the free-of-charge allocation rights assigned in the Capital Increase, at the price indicated below, pursuant to section 3 above (the "**Purchase Commitment**").

Accordingly, the Purchase Commitment will only cover the allocation rights received by the Company's shareholders free of charge, not those purchased or otherwise acquired on the market, and will be in force and may be accepted during such time, within the trading period of the rights, as may be determined by the Board of Directors. To that end, it is agreed to authorise the Company to acquire said free-of-charge allocation rights (as well as the New Shares that correspond to the same), up to the maximum limit of the total number of rights issued, in all cases with due observance of any applicable legal restrictions.

The "Purchase Price" of each free-of-charge allocation right will be determined by the following formula, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro:

Purchase Price = Share Price / (No. Rights per share + 1).

The Company will foreseeably waive the free-of-charge allocation rights acquired under the aforementioned Purchase Commitment, and the capital would be increased only by the amount corresponding to the free-of-charge allocation rights in respect of which no waiver has been made.

The Company's acquisition of the free-of-charge allocation rights under the Purchase Commitment may be made, in whole or in part, against the reserves as set forth in Article 303.1 of the Capital Companies Act.

#### 5. Balance sheet for the transaction and reserve against which the Capital Increase is made

The operation is based on the balance sheet corresponding to the year ended 31 December 2017, duly audited and approved by this Ordinary General Shareholders' Meeting.

As indicated, the Capital Increase will be made entirely against the reserves provided for in Article 303.1 of the Capital Companies Act. When executing the Capital Increase, the Board of Directors will specify the reserve(s) to be used and the amount of that reserve according to the balance sheet used as the basis for the Capital Increase.

#### 6. Representation of the New Shares

The newly-issued shares will be represented by book entries, the book-entry registration of which is entrusted to *Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal ("Iberclear")* and its member entities.

#### 7. Rights of the New Shares

The New Shares entitle the holders to the same financial and voting rights as the Company's ordinary shares currently in circulation as from the date on which the Capital Increase is declared subscribed and paid up.

#### 8. Shares on deposit

Once the period for trading the free-of-charge allocation rights has ended, the New Shares that remain unallocated for reasons not attributable to the Company will be kept on deposit for those who provide evidence that they are the lawful holders of the corresponding free-of-charge allocation rights. Once three years have elapsed from the end of the aforementioned period for trading the free-of-charge allocation rights, the New Shares that are still pending allocation may be sold in accordance with the provisions of Article 117 of the Capital Companies Act, at the expense and peril of the interested parties. The cash amount from such sale will be deposited with *Banco de España* or with *Caja General de Depósitos* at the disposal of the interested parties.

#### 9. Application for admission to listing

The Company will apply for listing of the New Shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market), expressly putting on record that the Company submits to existing or future laws and regulations governing the stock market and, particularly, regarding trading, minimum time frames and delisting.

It is expressly stated for the record that, in the event of a subsequent request for delisting of the Company shares, said delisting will be carried out with the formalities that apply thereto and, in such event, the interests of the shareholders opposing or not voting on the resolution to delist will be safeguarded, in compliance with the requirements established in the Capital Companies Act and related provisions, all in accordance with the consolidated text of the Securities Market Act and the provisions issued by way of implementation thereof in effect at any time.

#### 10. Execution of the Capital Increase

The Board of Directors may agree to implement the Capital Increase, setting the date and the terms of its execution and all matters not covered herein, within a maximum period of one year from the date of this resolution.

Notwithstanding the foregoing, if the Board of Directors considers it inadvisable to make a Capital Increase within the time period indicated, given market conditions, the circumstances of the Company itself, or conditions that may arise from some act or event that has social or economic impact, or which has an impact on the level of acceptance of this capital increase as passed by the General Meeting under item five of the Agenda, then a proposal may be submitted to the General Meeting to revoke said increase. Moreover, the Capital Increases will have no effect if the Board of Directors does not exercise the authorities delegated to it within the period of one year, with the duty to inform the shareholders thereof at the first General Meeting held thereafter.

After the end of the trading period for free-of-charge allocation rights in respect of each Capital Increase:

(a) The new shares will be allocated to those shareholders who hold the free-of-charge allocation rights according to the registers kept by Iberclear and its members in the proportions resulting from the previous sections.

(b) The Board of Directors will declare the free-of-charge allocation rights trading period over and will apply the reserves in the Company's accounts in the amount of the corresponding Capital Increase, which will be deemed paid up by that application.

Similarly, once the period to trade free-of-charge allocation rights has elapsed, the Board of Directors will adopt the corresponding resolution to (i) amend the Bylaws in order to reflect the new share capital figure and the number of New Shares resulting from the Capital Increase; and (ii) apply for listing of the New Shares resulting from the Capital Increase on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

#### 11. Delegation of powers to execute the Capital Increase

Pursuant to Article 297.1 a) of the Capital Companies Act, it is resolved to grant the Board of Directors, with express sub-delegation authority to confer to the Executive Committee, the Chairman or the Chief Executive Officer, to establish the conditions of the Capital Increase in any aspects not stipulated by this resolution. In particular, and by way of illustration, the following authorities are delegated to the Board of Directors, with express sub-delegation authority to confer to the Executive Committee, the Chairman or the Chief Executive Officer:

a) To set, within the timeframes established in section 10 above, without exception, the date upon which the Capital Increase, approved by virtue of this resolution, is to be implemented, establish the Amount of the Alternative Option and to determine the reserves, from among those contemplated in this resolution, with a charge to which the Capital Increase will be implemented, and the time and date of reference for allocation of the freely assigned rights.

b) To set the exact amount of the Capital Increase, the number of New Shares, and the free-of-charge allocation rights necessary for the allocation of New Shares, applying the rules established by the shareholders at this General Shareholders' Meeting for such purpose.

c) To set the duration of the period to trade free-of-charge allocation rights, with a minimum of fifteen (15) calendar days.

d) To establish a period during which the Purchase Commitment will be in force and to fulfil the Purchase Commitment by paying the corresponding amounts to the holders of free-of-charge allocation rights who have accepted said commitment.

e) To declare the Capital Increase closed and implemented, and to declare, if applicable, the existence of an incomplete allocation.

f) To amend Article 5 of the Company's Bylaws regarding share capital, to reflect the results of the Capital Increase.

g) To waive the New Shares corresponding to the free-of-charge allocation rights held by the Company at the end of the period for trading such rights as a result of the Purchase Commitment.

h) To waive, as appropriate, the free-of-charge allocation rights to subscribe for New Shares to ensure that the number of New Shares is a whole number and not a fraction.

i) To perform all of the formalities necessary to ensure that the New Shares resulting from the Capital Increase are included in the accounting records of Iberclear and admitted for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, according to the procedure established by each, and to take any action necessary or appropriate to implement and formalise the Capital Increase before any public or private entities and agencies, whether domestic or foreign, including acts for purposes of representation or supplementation or to remedy defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.”

## **ITEM SEVEN OF THE AGENDA.**

**APPROVAL OF A SHARE CAPITAL REDUCTION BY MEANS OF THE REDEMPTION OF A MAXIMUM OF 20,439,148 OF THE COMPANY'S OWN SHARES, REPRESENTING 2.791% OF THE COMPANY'S CURRENT SHARE CAPITAL. DELEGATION OF POWERS TO THE BOARD OF DIRECTORS (WITH THE EXPRESS POWER OF SUB-DELEGATION) TO ESTABLISH ANY OTHER CONDITIONS FOR THE CAPITAL REDUCTION NOT FORESEEN BY THE GENERAL MEETING, INCLUDING, AMONG OTHER ISSUES, THE POWERS TO AMEND ARTICLE 5 (SHARE CAPITAL) OF THE BYLAWS AND TO APPLY FOR THE DELISTING OF THE AMORTIZED SHARES AND FOR THE CANCELLATION FROM THE BOOK-ENTRY REGISTERS.**

### **Justification and advisability of the proposal:**

Within the framework of the remuneration policy for shareholders, in accordance with the resolutions adopted in 2014, 2015, 2016 and 2017, the Board of Directors considers it appropriate to reduce the capital by amortising the Company's own shares. The principal effect for shareholders will be an increase in earnings per share.

In order to implement the capital reduction, on the one hand, the Company's treasury shares existing on the date of adoption of this resolution will be redeemed, and, on the other, the Company's own shares that the Company purchases subsequently shall be redeemed. The Board of Directors considers a buy-back programme addressed to all the shareholders, pursuant to article 5 of Regulation (UE) No. 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse and the Commission Delegated Regulation (UE) 2016/1052, of 8 March 2016, supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures (the “**Buy-Back Programme**” or the “**Programme**”) to be the most appropriate mean to acquire this second tranche of own shares. Aside from being a channel for the Company to acquire part of the shares it is going to amortise through the capital reduction, the Buy-Back Programme also offers the advantage of enhancing the share's liquidity.

It is proposed that the Board of Directors pass a resolution to carry out the Programme, provided that this proposal is approved by the General Meeting.

In compliance with Articles 286 and 318 of the Capital Companies Act, the Board of Directors has drawn up a report justifying this proposal. This report is made available to shareholders upon the call of the General Meeting.

### **Proposed resolution:**

“1. Capital reduction by means of the redemption of the Company's existing treasury shares and of own shares to be purchased through a buy-back programme for redemption.”

It is resolved to reduce the share capital of Ferrovial, S.A. (the “Company”) by the amount resulting from the sum of:

- (i) 287,829.60 euros, via the redemption of 1,439,148 treasury shares, each of a par value of 0.20 euros, purchased under the framework of the authorisation granted by the General Shareholders Meeting held on 5 April 2017 under item ten of the agenda and within the limits envisaged in articles 146 and related, and 509 of the Capital Companies Act (the **"Existing Treasury Shares"**); and
- (ii) the aggregate face value, with the maximum amount indicated below, which represents the twenty-cent shares (€0.20) that will be acquired through a buy-back programme addressed to all the shareholders, pursuant to article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse and the Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016, supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures (the **"Buy-Back Programme"** or the **"Programme"**). Said programme must be approved by the Board of Directors.

The Buy-Back Programme will be subject to two quantitative limits in relation to the investment amount and the number of shares to be acquired:

(i) The net maximum investment of the Programme will be 275 million euros (the **"Maximum Investment"**). For this purpose, only the purchase price of the shares will be considered, excluding any charges, commissions or brokerage costs that may be charged on the purchase transactions

(ii) The number of shares to be purchased under the Programme will not exceed 19 million representing 2.6% of the share capital of the Company at the date of the drawn up by the Board of this proposed resolution.

Consequently, the maximum amount of the reduction of capital (the **"Capital Reduction"**) will be 4,087,829.60 euros, through the redemption of up to 20,439,148 own shares each of a face value of 0.20 euros, representative of a maximum of 2.791% of share capital at the time of adoption of this resolution. This figure is the result of the sum of the aggregate par value of the number of own shares corresponding to the Existing Treasury Shares, and the aggregate face value of the maximum number of shares to be purchased under the Buy-Back Programme.

In accordance with what is set forth below, the final figure for the Capital Reduction shall be established by the Board of Directors depending on the final number of shares that are acquired from the shareholders under the Buy-Back Programme, within the limits of the Maximum Investment and the maximum number of shares to be acquired, as mentioned above.

## 2. Purpose of the capital reduction

The purpose of the Capital Reduction is to amortise treasury shares, aiding the Company's shareholder remuneration policy by increasing the profit per share. This transaction is configured to be a capital reduction of a nominal or accounting nature, therefore it shall not produce a return of shareholder contributions nor shall it change the regime for disposing of the Company's equity, as stated below.

## 3. Procedure for acquiring the shares that are to be amortised

The purchase of the shares to be amortised shall be made pursuant to article 144.a) of the Capital Companies Act (free derivative acquisition of own shares) and on the terms of articles 338 to 342 of the same Act, insofar as they may be applicable, article 12.2 of Royal Decree 1066/2007, of 27 July, article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse, and the Commission



Delegated Regulation (EU) 2016/1052, of 8 March 2016. Therefore, it is not necessary to make a takeover bid for the Company's shares to be purchased under the Buy-Back Programme.

#### 4. Characteristics of the Buy-Back Programme

It is expected that the Buy-Back Programme will be approved by the Company's Board of Directors, if this proposed resolution is approved by the shareholders.

The main characteristics of the Buy-Back Programme, without prejudice to the appropriate provision of public information of the details, which will be provided in due course once the Programme has been approved by the Board of Directors and, in any case, before starting with the acquisitions, are described below:

1. The Company will purchase, for amortisation, own shares for a Maximum Investment of 275 million euros. In any case, the number of shares to be acquired under the Buy-Back programme will not exceed 19 million shares, representing 2.6% of the share capital at the date of the approval by the Board of this resolution proposal.

2. The shares will be purchased according to the price and volume rules established in article 3 of the Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016.

3. The Board of Directors will establish the duration of the Buy-Back Programme which shall not exceed a one year period. Notwithstanding the foregoing, the Company may end the Programme earlier if its purpose has been fulfilled and, in particular, if, prior to expiry of the Buy-Back Programme, the Company has purchased, thereunder, the maximum number of shares indicated in point 1 above, or shares for a purchase price equal to the Maximum Investment indicated in point 1 above, or in any other circumstance which would warrant this action.

#### 5. Procedure for the capital reduction, reserves against which it will be made and term for its execution

In accordance with what is established under article 342 of the Capital Companies Act, any own shares acquired by the Company under the Buy-Back Programme must be amortised within a month of the close of the Buy-Back Programme. Therefore, the Capital Reduction shall be executed within that term and, in any case, within a year from the date this resolution is adopted.

According to the provisions of article 340.3 of the Capital Companies Act, if the Company does not acquire shares for the Maximum Investment amount under the Buy-Back Programme, it shall be understood that the capital is reduced in an amount equivalent to the par value of those shares that were actually acquired under the Buy-Back Programme.

The Capital Reduction will not entail any refund to shareholders since, at the time of the reduction, the Company will hold the shares to be amortised. The Reduction will be made against voluntary reserves through the funding of a capital amortisation reserve, in a sum equal to the par value of the shares amortised, which may only be used if the requirements established for the reduction of capital are met.

Consequently, according to what is established under article 335 c) of the Capital Companies Act, the Company's creditors will not have the right to objection established in section 334 of that Act.

#### 6. Delegation of powers

It is resolved to grant the Board of Directors the authority to determine any terms and conditions for this capital reduction that are not expressly established hereunder, with the express sub-delegation authority conferred to the Executive Committee, the Chairman or

the Chief Executive Officer. In particular and for the sake of illustration, the Board of Directors is expressly authorised to sub-delegate to the Executive Committee, the Chairman or the Chief Executive Officer to carry out the following faculties:

a. Determine the term for the Buy-Back Programme and any other terms and conditions for the Programme, within the limits established under this resolution and by law, in complete accordance with the provisions of article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse and the Commission Delegated Regulation (UE) 2016/1052, of 8 March 2016.

b. Execute the Capital Reduction in a period that is no longer than a month from the end of the Buy-Back Programme (be it the scheduled or accelerated end thereof) and, in any case, within a year from the date on which this resolution is adopted.

c. Establish the final figure for the Capital Reduction according to the rules stipulated in this resolution and depending on the final number of shares that are acquired from the shareholders within the framework of the Buy-Back Programme.

d. Declare the agreed Capital Reduction to be completed and executed, establishing to such end the final number of shares that will be amortised and, therefore, the amount in which the Company's share capital will be reduced according to the rules established in this resolution.

e. Amend the wording of article 5 of the Company's Bylaws, regarding Share Capital, in order to reflect the result of the Capital Reduction.

f. Carry out any actions, declarations or steps that may be necessary in relation to providing public information regarding the Buy-Back Programme and the actions that, as the case may be, should be taken before the National Securities Market Commission ("CNMV") and those Stock Exchanges on which the Company's shares are traded, as well as before the entities responsible for regulating and governing the markets where the share acquisitions are carried out. Negotiate, agree and execute any contracts, agreements, commitments or instructions that may be necessary or advisable to successfully carry out the Buy-Back Programme.

g. Carry out the steps and actions that may be necessary and submit any required documents to the competent authorities so that, once the Company's shares have been amortised and the public deed of Capital Reduction executed and registered with the Commercial Registry, the amortised shares are delisted from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market) and the relevant records are cancelled in the accounting.

h. Carry out any actions that may be necessary or advisable for the execution and formalization of the Capital Reduction before any Spanish or foreign, public or private entities or agencies, including therein declarations, auxiliary documents or those needed to correct any defect or omission that might prevent or hamper the full effectiveness of the resolutions above."

#### **ITEM EIGHT OF THE AGENDA.**

**DELEGATION OF POWERS TO INTERPRET, RECTIFY, SUPPLEMENT, EXECUTE AND IMPLEMENT THE RESOLUTIONS ADOPTED BY THE GENERAL SHAREHOLDER'S MEETING AND DELEGATION OF POWERS TO EXPRESS AND REGISTER THOSE RESOLUTIONS AS PUBLIC INSTRUMENTS. EMPOWERMENT TO FILE THE FINANCIAL STATEMENTS AS REFERRED TO IN ARTICLE 279 OF THE CAPITAL COMPANIES ACT.**

**Justification and advisability of the proposal:**

The enforceability of some of the resolutions adopted at this General Shareholders' Meeting requires certain acts of execution and formalities; therefore, it is proposed to delegate the necessary powers to perform those formalities.

**Proposed resolution:**

"Delegate to the Board of Directors, with express sub-delegation authority conferred to the Executive Committee, the Chairman of the Board of Directors and the Chief Executive Officer, to interpret, rectify, supplement, execute and implement the resolutions adopted by this General Shareholders' Meeting. Delegate to the Chairman of the Board of Directors, the Chief Executive Officer and the Secretary of the Board of Directors, the authority for any of them, interchangeably, to formalise and express as a public instrument the resolutions adopted by this General Shareholders' Meeting and, in particular, to present for filing at the Mercantile Registry the certificates of the resolutions approving the financial statements and the application of results, attaching the legally-required documents, and to grant any other public or private document that may be required to register the adopted resolutions at the Mercantile Registry, including a request for partial inscription, with the authority to remedy or rectify on the basis of verbal or written judgements made by the Registrar."

**II. MATTERS SUBMITTED FOR ADVISORY VOTE**

**ITEM NINE OF THE AGENDA.**

**ANNUAL REPORT ON DIRECTORS' REMUNERATION (ARTICLE 541.4 OF THE CAPITAL COMPANIES ACT).**

**Justification and advisability of the proposal:**

In application of article 541.4 of the Capital Companies Act, the Annual Report on Directors' Remuneration for 2017 is submitted for an advisory vote.

**Proposed resolution:**

"To approve, on a consultative basis, the Annual Report on Directors' Remuneration for 2017."

**III. MATTERS FOR INFORMATION**

**ITEM TEN OF THE AGENDA.**

**INFORMATION ON THE AMENDMENTS INCORPORATED INTO THE REGULATIONS OF THE BOARD OF DIRECTORS**

In accordance with article 528 of the Capital Companies Act, the shareholders have been provided with the new text of the Regulations of the Board of Directors highlighting the approved amendments since the last General Shareholders' Meeting.