

**ANNEX 1**

**ANNUAL REPORT ON DIRECTOR REMUNERATION  
IN LISTED PUBLIC LIMITED COMPANIES**

**ISSUER IDENTIFICATION DETAILS**

<b>HAVING REGARD TO THE FINANCIAL YEAR ENDED</b>	31/12/2016
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<b>COMPANY TAX ID</b>	A-28037224
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**COMPANY NAME**

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

**COMPANY'S ADDRESS AND DOMICILE**

BALMES, 36 BARCELONA

## ANNUAL REPORT ON DIRECTOR REMUNERATION IN LISTED PUBLIC LIMITED COMPANIES

### A THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

#### A.1 Explain the company's remuneration policy. Under this heading, include information regarding:

- General principles and foundations of the remunerations policy.
- The most significant changes made to the remuneration policy from the policy applied during the previous financial year, as well as any changes made during the financial year to the conditions for exercising options already granted.
- Criteria used and composition of comparable groups of companies whose remuneration policies have been studied to establish the company's remuneration policy

Relative significance of the variable items of remuneration as compared to fixed items and standards used to determine the various components of the director remuneration package (remunerative mix).

#### Explain the remuneration policy.

General principles and foundations of the remunerations policy.

- In accordance with the provisions of Article 38.3 of the Articles of Association, the remuneration policy for FCC directors takes due account of the roles and responsibilities performed by each director within the Board itself and its Committees, and is commensurate with their time commitment to the Company, with the aim of strengthening the motivation and retention of the most highly qualified professionals.

In this way, the director remuneration policy aims to ensure that they receive remuneration that is in line with the market yet competitive, consistent with that paid by companies in a similar line of business and of a similar size, and it is subject to periodic review by the Appointments and Remuneration Committee in order that it may propose any amendments to the Board that it, in turn, deems necessary.

- However, the remuneration policy must respect the following criteria set out under Art. 28.4 of the Rules of the Board of Directors:

(...)

i. Non-executive director remuneration should sufficiently compensate them for the dedication, role and responsibility that the post demands, but should not be so high as to compromise their independence;

ii. Any remuneration related to shares in the Company or other companies in the Group, share options or other share-based remuneration, variable remuneration linked to the Company's performance or pension schemes are to be restricted to executive directors except in those cases where directors are obliged to retain the shares until the end of their term of office;

iii. For remuneration linked to Company's results [i.e. profit/loss], this should take account of any qualifications in the external auditor's report that lead to a reduction in the said results; and.

iv. In the case of variable remuneration, the remuneration policies should include precise technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries and not simply the general movements of the markets or the sector in which the Company operates, or other similar circumstances.

In terms of remuneration items, Article 38 of the Articles of Association "Remuneration" states that: "1. The post of director is remunerated.

2. Remuneration of directors in their position as such, for the whole Board of Directors, shall consist of a share of the net profit which cannot exceed two percent (2%) of the Company's revenue for the financial year as stated in the consolidated annual accounts of the Group of which the Company is the parent entity, once the Legal Reserve requirements have been met and a minimum dividend of four percent (4%) of the nominal value of the shares has been paid to shareholders. The percentage relating to each financial year shall be set by the General Meeting of Shareholders.

3. The Board of Directors shall distribute among its members the remuneration decided by the General Meeting, taking into account the duties and responsibilities carried out by each of them in the Board itself and in the internal Committees, as well as other criteria set out in the Rules of the Board of Directors.

4. Notwithstanding the foregoing, directors shall be remunerated for their attendance at Board meetings and meetings of their internal Committees. For this purpose, the General Meeting shall determine the relevant amount for each financial year in this regard, which shall be distributed by the Board among its members, taking due account of their effective attendance at Board meetings and those of the internal Committees of which they are members.

5. In addition, the Company shall, in any case, continue to provide civil liability insurance for its directors.

6. In accordance with the resolution adopted by the General Meeting in this regard, director remuneration may also consist of the provision of shares, share option entitlement or any other kind of remuneration based on the value of the Company's shares, regardless of the terms set out herein above.

7. The remuneration of directors must always be reasonably in proportion with the importance of the Company, the economic situation applicable at all times and the market standards of comparable companies. The established remuneration system must aim to promote the Company's long-term profitability and sustainability, and incorporate the necessary safeguards so as to prevent any excessive risk-taking or reward for unfavourable results.

8. The remuneration set out in the sections herein above, in respect of membership of the Board of Directors, shall be compatible with other work-related compensation, whether professional or employment remuneration which the Directors are entitled to due to performing director, executive or advisory duties or those of any other nature other than those concerning the supervision and decision-making duties that are inherent to their position as directors, which they, in turn, carry out for the Company, which will be determined by the Board of Directors in accordance with the provisions of the director remuneration policy approved by the General Meeting and which shall be included in a contractual agreement signed between the director and the Company, which must previously be approved by the Board of Directors with a favourable vote of at least two thirds of its members, and must be annexed to the minutes of the meeting. The director concerned shall refrain from attending the deliberations and taking part in the vote. This contractual agreement, which shall be consistent with the Company's remuneration policy, must contain all indications required by Law and, especially, all instances where the director can obtain remuneration in consideration of the performance of executive duties.

9. The Board of Directors shall draw up an annual report on director remuneration, which contains the Company remuneration policy approved by the General Meeting for the current financial year, an overview of how the remuneration policy was applied during the financial year, as well as the itemised individual remuneration accrued by each director, which shall be published and voted upon by the Ordinary General Meeting of Shareholders, on a consultative basis, as a separate item on the agenda, in the terms set out by Law."

- The Board of Directors has agreed to continue with the same remuneration policy as in 2016, having approved in a meeting held on 10 March 2017 that the remuneration received for performance in 2017 for duties inherent to the position as Director shall comprise, in accordance with the provisions of the Company's Articles of Association, a fixed part derived, as applicable, from a share of the Company's net profit, and another part according to their effective attendance at Board of Directors and internal Committee meetings, in the same terms and amounts set out in the remuneration policy report for the 2016 financial year.

Consequently, the remuneration policy for directors for the 2017 financial year shall be as follows (a):

A) Fixed remuneration, related, as applicable, to net profit:

The annual remuneration received by the directors for membership of the Board, or its various Committees, is structured in accordance with the provisions of article 36 of the Articles of Association, shall consist in a share of the net profits from the financial year as stated in the Group's consolidated annual accounts, which in no case may exceed 25% of these profits once the provisions of the Legal Reserve have been met, and a minimum dividend has been allocated to the shareholders of 4% of the nominal value of the shares.: In any event, the General Meeting of Shareholders will set the percentage for each financial year.

B) Remuneration for effective attendance at Board of Directors and internal Committee meetings.

For the current financial year, remuneration will accrue for effective attendance, either in person (b) or by remote means of communication (such as video-conference or multi-conference), at meetings held by the Board or by its Committees.

The remuneration amount per meeting for the current financial year will be as follows:

REMUNERATION FOR ATTENDANCE AMOUNT STATED  
IN EURO  
PER MEETING  
Board Meeting 2,500  
Executive Committee 1,875  
Audit and Control Committee 1,500  
Appointments and Remuneration Committee 1,500

Non-executive director remuneration contains no variable remuneration items linked to the value of FCC shares or any other instrument.

In accordance with Article 38.5 of the Articles of Association, the Company continues to provide civil liability insurance for directors.

(a) FCC is among the Spanish listed companies that pay the least remuneration to its board of directors according to the Spencer Stuart Boards of Directors Index, 2016 20th edition.

(b) Personally: "in person" and not by "proxy".

**A.2 Information regarding preparatory work and the decision-making process followed to determine the remuneration policy, and any role played by the remuneration committee and other control bodies in the configuration of the remuneration policy. This information shall include any mandate given to the remuneration committee, the composition thereof, and the identity of external advisors whose services have been used to determine the remuneration policy. There shall also be a statement of the nature of any directors who have participated in the determination of the remuneration policy**

**Explain the process for determining the remuneration policy**

Report drafting process (Art. 28.3 of the Rules of the Board of Directors)

The members of the Appointments and Remuneration Committee participated in the determining of the remunerations policy and the drafting of this report.

The information and advice of the Company's internal services have contributed to this report, and for these purposes no advice has been received from any external consultants.

As stated in Article 38.4 of the Regulations of the Board of Directors, the powers of the Appointments and Remuneration Committee include:

"f) Proposing to the Board of Directors the remuneration policy of Directors and general directors or whoever carries out their senior management functions with direct accountability to the Board, the Executive Committee or the Chief Executive Officer, and the individual remuneration and other contractual conditions of the Executive Directors, while ensuring that they are complied with. In addition, reporting on and making proposals for multi-year incentive plans for the Company's senior management, particularly those related to the value of shares. In addition, proposing to the Board of Directors the distribution among its Directors of the remuneration arising from their position as Directors decided by the General Meeting of Shareholders in accordance with the Articles of Association and these Rules.

The members of the Appointments and Remuneration Committee are as follows:

- Chairman Mr. Alvaro Vázquez de Lapuerta (Independent)
- DOMINUM DESGA SA represented by Esther Alcocer Koplowitz (Proprietary)
- Mr. Juan Rodriguez Torres (Proprietary)
- Mr. Manuel Gil Madrigal (Independent)
- Felipe Bernabé García Pérez - Secretary, non-Director

Lastly, in order to determine the remuneration policy, data regarding the remuneration paid in the market by companies of a similar size and in a similar line of business was taken into account, as well as the recommendations and indications in the Unified Code of Good Governance published by the Spanish National Securities Market Commission with regard to the structure of directors' remuneration.

**A.3 State the amount and nature of the fixed components, with a breakdown, if applicable, of remuneration for the performance by the executive directors of the senior management duties, of additional remuneration as chair or member of a committee of the board, of attendance fees for participation on the board and the**

committees thereof or other fixed remuneration as director, and an estimate of the annual fixed remuneration to which they give rise. Identify other beneficiaries that are not paid in cash and the basic parameters upon which such benefits are granted.

<b>Explain the fixed components of remuneration</b>
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As has been stated previously, FCC's Board of Directors shall receive fixed remuneration deriving, as applicable, from a share of the Company's net profit, and attendance allowances in accordance with their effective attendance at Board of Directors and Committee meetings, in the terms set out in Section A.1 above.

With regard to the Company's Executive Directors, the Board of Directors has resolved to maintain for financial year 2017 the following remuneration structure for the performance of their executive duties and responsibilities:

• Mr. Carlos Manuel Jarque Uribe:  
Fixed remuneration for the performance of the duties and responsibilities of Managing Director: €900,000.  
Estimate of his remuneration for effective attendance as member of the Board: 30,000 Euro.  
Estimate of his remuneration for effective attendance as member of the Executive Committee. 22,500 Euro.

\* Mr. Miguel Ángel Martínez Parra  
Fixed remuneration for the performance of senior management duties and responsibilities: €368,335.  
Estimate of his remuneration for effective attendance as member of the Board: 30,000 Euro.

• Mr. Gerardo Kuri Kaufmann:  
Fixed remuneration for the performance of senior management duties and responsibilities: €0 (c)  
Estimate of his remuneration for effective attendance as member of the Board: 30,000 Euro.  
Estimate of his remuneration for effective attendance as member of the Executive Committee. 22,500 Euro.

(c) Mr. Gerardo Kuri Kaufmann has been appointed as Executive Director as he is the Managing Director of CPV, a subsidiary of FCC. He performs no senior management role in FCC, and therefore receives no fixed remuneration.

#### A.4 Explain the amount, nature and main features of the variable elements of the remuneration systems.

In particular:

Identify each of the remuneration plans of which the directors are beneficiaries, as well as its scope, the date of approval thereof, the date of implementation thereof, the effective period thereof, and its main features. In the case of share option plans and other financial instruments, the general features of the plan shall include information on the conditions for the exercise of such options or financial instruments for each plan.

- State any remuneration received under profit-sharing or bonus schemes, and the reason why they were granted;

- Explain the fundamental parameters and rationale for any annual incentive plan (bonus).

– The classes of directors (executive directors, proprietary external directors, independent external directors or other external directors) that are beneficiaries of remuneration systems or plans that include variable remuneration.

– The rationale for such remuneration systems or plans, the chosen standards for evaluating performance, and the components and methods of evaluation to determine whether or not such evaluation standards have been met, and an estimate of the absolute amount of variable remuneration to which the current remuneration plan would give rise, based on the level of compliance with the assumption or goals used as the benchmark.

– If applicable, information shall be provided regarding any payment deferral periods that have been established and/or the periods for retaining shares or other financial instruments.

**Explain the variable components of the remuneration systems**

The Executive Directors of the Company are the only members of the Board who receive variable remuneration.

In this regard, the Board of Directors has decided to maintain for financial year 2017, the variable remuneration structure which had been received by the Directors for performing their executive functions, structured as follows:

• Mr. Carlos Manuel Jarque Uribe:

In accordance with this contract dated 16 August, 2015, a variable remuneration or additional bonus of 40% (forty percent) of the fixed annual remuneration.

In particular, fifty percent of the variable remuneration will be directly contingent upon the achieving of the Company's objectives, for the assessment of which the parameters used shall be the result of the EBITDA and of the working cash flow for the relevant financial year, following for the said parameters the guidelines set out in the companies in which FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. has an interest to determine the variable remuneration of the executives.

Notwithstanding the foregoing, even if in a particular financial year the results of the companies measured according to the aforesaid parameters do not meet the objectives set by the Company, the Board of Directors may at its discretion resolve to pay the Executive a variable remuneration in excess of the amount that he or she would be entitled to receive if the requirements were applied strictly.

The remaining fifty percent of the recognised variable remuneration shall depend directly on the degree of fulfilment by the Management of the objectives that have been set for it, the decision as to the concrete amount to be at the discretion of the Board of Directors of the Company, pursuant to the report of the Appointments and Remuneration Committee.

• Mr. Miguel Martínez Parra:

In accordance with his contract dated 1 February, 2015, he will participate in the variable remuneration system which the Company has set up for its management team.

He will be able to receive an annual bonus for meeting objectives set for him, up to a maximum amount of 50% of the fixed salary.

Receipt of the bonus shall not be automatic nor may it be consolidated, and it shall at all times be subject to meeting the objectives set by the Company.

The variable remuneration shall be consistent at all times with the Company's remuneration policy, within the framework of the objectives pursued to incentive the results of the direct actions of the management team and also promoting their ties and permanence in the Company.

**A.5 Explain the main features of the long-term saving systems, including retirement and any other survival benefit, either wholly or partially financed by the company, and whether funded internally or externally, with an estimate of the equivalent annual amount or cost thereof, stating the type of plan, whether it is a defined-contribution or -benefit plan, the conditions for the vesting of economic rights in favour of the directors, and the compatibility thereof with any kind of indemnity for advanced or early termination of the employment relationship between the company and the director.**

Also state the 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 plans;

**Explain the long-term savings plans**

Savings Fund to be set up for the benefit of Mr. Carlos Jarque:

For the purpose of setting up a fund to compensate the Executive for the termination of his contract, the Company shall create an outsourced savings account of which he shall be the beneficiary, which shall be funded with the yearly contributions that the Company shall make in the amount of €340.000 (THREE HUNDRED AND FORTY THOUSAND EURO) per annum.

In the event that the contractual relationship be terminated during the first three years of the term of his contract, on any grounds other than those specified in sections 9.1, 9.4 and 9.5 (withdrawal of the Executive, dismissal on objective grounds and disciplinary dismissal, respectively), of this Contract, the Executive shall be entitled to receive the amount which is held in the Savings Account on the relevant date for the purpose of the termination of his contract. The said payment shall compensate the Executive for the termination of his contract, shall be of a compensatory nature, shall encompass the compensation provided in Clause Eleven of his contract, and shall replace any other financial compensation that may arise from the termination of his employment relationship.

If the termination should occur after three years have elapsed from the date of signing the contract, the Executive shall be entitled to receive the amount that which is held in the Savings Account on the relevant date for the purpose of the termination of his contract, except in the event that the grounds for termination are among those specified in clauses 9.4 and 9.5 (dismissal on objective grounds and disciplinary dismissal, respectively) of this contract. The said payment shall compensate the Executive for the dissolution of his contract, shall be deemed compensatory, shall encompass the compensation provided in Clause Eleven of his contract, and shall replace any other financial compensation that may arise from the termination of the employment relationship.

**A.6 State any severance benefits agreed to or paid in the event of termination of duties as a director.**

**Explain any compensation**

None.

**A.7 State the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding, among other things, the term, limits on termination benefit amounts, continuance in office clauses, prior notice periods, and payment in lieu of prior notice, and any other clauses relating to hiring bonuses, as well as benefits or golden parachutes due to advanced or early termination of the contractual relationship between the company and the executive director. Include, among other things, any post-contractual clauses or agreements on non-competition, exclusivity, continuance in office or retainer, and non-competition.**

**Explain the terms of the contracts of the executive directors**

• Mr. Carlos Manuel Jarque Uribe: Contract effective from 18 August, 2015.

Term: Indefinite. Exclusivity. Yes.

No-compete agreement. Yes, for a one-year period after the end of the contract.

Confidentiality. Yes.

Prior notice. If the contract is terminated by the Executive's free and unilateral decision, he must provide at least three months' advance notice. If the termination is pursuant to the free and unilateral decision of the Company, there shall also be a notice period of three months, the executive being entitled to compensation equivalent to the amount that is held in the Savings Fund as stated in Clause 7 C) of his contract as of the date on which the termination takes effect.

Early termination: see Section A5 above with regard to the savings fund.

• Mr. Miguel Martínez Parra: Contract effective from 1 February, 2015.

Term: Indefinite. Exclusivity. Yes. Confidentiality. Yes.

Intellectual property and inventions, ceded to the Company.

Prior notice. In the event of the dissolution of the employment relationship implemented by the decision of the Executive, he shall be obliged to provide express advance notice to the Company in writing of at least two months before the effective date.

In the event of default on the obligation to provide said advance notice, for every day not included in the notice a the relevant amount shall be deducted from the gross salary payable.

Early termination. In compliance with the Workers' Statute.

**A.8 Explain any supplemental remuneration accrued by the directors in consideration of services provided other than those inherent in their position.**

**Explain any supplementary remuneration**

In a Board meeting held on 27 February 2015, it was resolved to execute a service provision agreement between FCC and the Director Alejandro Aboumrad for an annual amount not to exceed 338,000 EUR gross. The contract was signed on the said date. With the exception of this case, there is no additional remuneration for services provided to the Company.

**A.9 State any remuneration in the form of advances, loans or guarantees provided, stating the interest rate, main features, and amounts potentially returned, as well as any obligations assumed on their behalf as a guarantee..**

**Explain any advances, loans and guarantees provided**

The Company grants no advances, loans and guarantees to directors.

**A.10 Explain the main features of any remunerations in kind..**

**Explain any remuneration in kind**

The Company establishes the following types of payments in kind for the executive directors Mr. Carlos Jarque and Mr. Miguel Martínez:

**Travel insurance:**

Executive directors are beneficiaries of accident insurance for travel by plane, train or ship, in order to perform their professional duties in the company, which is applicable to all Company employees. Coverage amount: €601,012.10 per person, with a maximum of €4,207,091.00 per accident. The premium is paid in full by the company.

**Assurance against death resulting from an accident and total permanent disability:**

Executive directors are beneficiaries of life assurance policies against death resulting from an accident and total permanent disability, which covers all Company employees and which aims to cover any accident leading to death or total permanent disability, during or outside of working hours, under the terms and conditions of the policy in force. The coverage for both contingencies will cover the amount payable for one year of their respective fixed salaries. The premium is paid in full by the company.

**Medical Insurance:**

Executive directors and their family members (spouses and children under the age of 25 years) are beneficiaries of medical insurance which the Company offers to all employees. The Company subsidises the cost of this insurance, paying 100% of the premium of Miguel Ángel Martínez Parra.

Carlos Manuel Jarque Uribe has a health insurance policy, 50% of the cost of which is borne by the Company, the other fifty percent being paid by the Director, which provides cover both for himself and for his family with an entity of high standing.

**Others:**

Mr. Carlos Manuel Jarque Uribe:

- Company car with chauffeur
- Two trips per year to Mexico

Mr. Miguel Ángel Martínez Parra

- Vehicle provided by the Company
- Two annual trips in accordance with the international mobility policy

An accident insurance policy has been contracted for all Directors, in respect of events occurring in the exercise of their duties and responsibilities and in their personal life, which covers:

- Death due to traffic accidents
- Death due to cardiac arrest
- Total permanent disability
- Total disability
- Severe disability

The term of this policy is one year, renewable on an annual basis; the premium is 7,385.15 Euro.



A.11 State any remuneration accrued by the director by virtue of payments made by the listed company to a third party to which the director provides services, if such payments are intended to provide remuneration for the services thereof in the company.

**Explain any remuneration accrued by the director by virtue of payments made by the listed company to a third party to which the director provides services**

None.

A.12 Any item of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it is deemed to be a related-party transaction or when the making thereof detracts from a true and fair view of the total remuneration accrued by the director.

**Explain any other remuneration items**

None.

A.13 Explain any actions taken by the company regarding the remuneration system in order to reduce exposure to excessive risk and align it with the long-term goals, values, and interests of the company, including any reference to: measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures establishing an appropriate balance between the fixed and variable components of remuneration, measures adopted with respect to those categories of personnel whose professional activities have a significant impact on the entity's risk profile, recovery formulas or clauses to be able to demand the return of the variable components of remuneration based on results if such components have been paid based on data that are later clearly shown to be inaccurate, and measures provided to avoid any conflicts of interest.

**Explain actions taken to reduce risks**

FCC's remuneration system is directly linked to the Company's revenue, since the remuneration of directors mainly consists of a share of the Company's net profits, and therefore when there are no profits, the members of the FCC Board of Directors receive only the attendance allowance from effectively attending the Board and Committee meetings.

Moreover, in accordance with the provisions of Article 28.2 of the Rules of the Board of Directors, among other criteria that the Company's remuneration policy must respect, it is established that the remuneration must be in reasonable proportion with the importance of the Company, the economic situation it finds itself in at all times and the market standards of comparable companies, and the remuneration system set out should intend to promote long-term profitability and sustainability in the Company, and include the necessary safeguards to avoid undertaking excessive risks and rewarding unfavourable results.

Regarding the measures provided for to prevent conflicts of interest, as established in Articles 22 and 23 of the Rules of the FCC Board of Directors, directors have a duty to abstain from attending and participating in discussions on issues in which they have an interest, either directly or indirectly, and from voting on the relevant decisions. Furthermore, directors must inform the Board of Directors, with sufficient notice, through the Corporate Responsibility Department or any other that may replace it, of any situation likely to lead to a conflict of interest with the interest of the Company, the interests of the companies forming part of the FCC Group or its related companies.

**B**

## **REMUNERATION POLICY PLANNED FOR FUTURE YEARS**

Derogated.



## **C OVERALL SUMMARY OF THE IMPLEMENTATION OF THE REMUNERATION POLICY DURING THE FINANCIAL YEAR ENDED**

- C.1 Briefly explain the main features of the structure and items of remuneration from the remuneration policy applied during the financial year just ended, which give rise to the breakdown of individual remuneration accrued by each of the directors as reflected in section D of this report, as well as a summary of the decisions made by the board to apply such items.

**Explain the structure and items of remuneration of the remuneration policy implemented during the financial year**

As was mentioned herein above, in accordance with the provisions of Article 38 of the Articles of Association, remuneration of the Company directors consists of a share of the net profits.

The profit/loss statement for 2015, approved in the 2016 ordinary General Meeting, posted losses, and therefore the directors were not remunerated for this item as there were no profits.

Notwithstanding the foregoing, the directors were remunerated for their attendance at Board meetings and meetings of their internal Committees.

In addition, executive directors were remunerated for the various remuneration items set out in their contractual agreements.

Moreover, some FCC directors have accrued remuneration for membership of other Group company Boards (specifically, Cementos Portland Valderrivas, S.A.)

**D BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH OF THE DIRECTORS**

<b>Name</b>	<b>Type</b>	<b>Accrual period financial year 2016</b>
DOMINUM DESGA, S.A.	Proprietary Director	From 01/01/2016 to 31/12/2016.
CARLOS MANUEL JARQUE URIBE	Executive	From 29/06/2016 to 31/12/2016.
SAMEDE INVERSIONES 2010, S.L.U.	Proprietary Director	From 01/01/2016 to 31/12/2016.
DOMINUM DIRECCIÓN Y GESTIÓN, S.A.	Proprietary Director	From 01/01/2016 to 31/12/2016.
EAC INVERSIONES CORPORATIVAS, S.L	Proprietary Director	From 01/01/2016 to 31/12/2016.
INMOBILIARIA AEG, S.A. DE C.V.	Proprietary Director	From 01/01/2016 to 31/12/2016.
JUAN RODRÍGUEZ TORRES	Proprietary Director	From 01/01/2016 to 31/12/2016.
ALEJANDRO ABOUMRAD GONZÁLEZ	Proprietary Director	From 01/01/2016 to 31/12/2016.
GERARDO KURI KAUFMANN	Executive	From 01/01/2016 to 31/12/2016.
ANTONIO GÓMEZ GARCÍA	Proprietary Director	From 29/06/2016 to 31/12/2016.
MIGUEL ÁNGEL MARTÍNEZ PARRA	Executive	From 29/06/2016 to 31/12/2016.
ALFONSO SALEM SLIM	Proprietary Director	From 29/06/2016 to 31/12/2016.
HENRI PROGLIO	Independent	From 01/01/2016 to 31/12/2016.
MANUEL GIL MADRIGAL	Independent	From 01/01/2016 to 31/12/2016.
ÁLVARO VÁZQUEZ DE LA PUERTA	Independent	From 01/01/2016 to 31/12/2016.

D.1 Complete the following tables regarding the individualised remuneration of each of the directors (including the remuneration for the financial year for executive duties) accrued during the financial year..

**a) Accrued remuneration at the company covered by this report:**

**Cash remuneration (in thousands of €)**

Name	Salary	Fixed Remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership of Board committees	Severance payments	Other items	Total 2016	Total 2015
DOMINUM DESGA, S.A.	0	0	65	0	0	0	0	0	65	62
CARLOS MANUEL JARQUE URIBE	863	0	18	244	0	0	0	0	1.125	0
EAC INVERSIONES CORPORATIVAS, S.L	0	0	56	0	0	0	0	0	56	59
INMOBILIARIA AEG, S.A. DE C.V.	0	0	15	0	0	0	0	0	15	12
ALEJANDRO ABOUMRAD GONZÁLEZ	0	0	47	0	0	0	0	338	385	328
GERARDO KURI KAUFMANN	0	0	47	0	0	0	0	0	47	46
MIGUEL ÁNGEL MARTÍNEZ PARRA	366	0	12	93	0	0	0	3	474	0
MANUEL GIL MADRIGAL	0	0	60	0	0	0	0	0	60	54
ÁLVARO VÁZQUEZ DE LA PUERTA	0	0	60	0	0	0	0	0	60	54
SAMEDE INVERSIONES 2010, S.L.U.	0	0	33	0	0	0	0	0	33	32
ANTONIO GÓMEZ GARCÍA	0	0	13	0	0	0	0	0	13	0
ALFONSO SALEM SLIM	0	0	13	0	0	0	0	0	13	0
HENRI PROGLIO	0	0	36	0	0	0	0	0	36	36
JUAN RODRÍGUEZ TORRES	0	0	54	0	0	0	0	0	54	15
DOMINUM DIRECCIÓN Y GESTIÓN, S.A.	0	0	34	0	0	0	0	0	34	30

**ii) Share-based remuneration systems**

**iii) Long-term savings schemes**

**b) Remuneration accrued by the company directors for membership of boards of other group companies:**

**Cash remuneration (in thousands of €)**

Name	Salary	Fixed Remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership of Board committees	Severance payments	Other items	Total 2016	Total 2015
EAC INVERSIONES CORPORATIVAS, S.L	0	0	23	0	0	0	0	0	23	23
GERARDO KURI KAUFMANN	0	0	16	0	0	0	0	175	191	286
INMOBILIARIA AEG, S.A. DE C.V.	0	0	10	0	0	0	0	0	10	18
ÁLVARO VÁZQUEZ DE LA PUERTA	0	0	32	0	0	0	0	0	32	14
CARLOS MANUEL JARQUE URIBE	0	0	12	0	0	0	0	0	12	0
JUAN RODRÍGUEZ TORRES	0	0	27	0	0	0	0	0	27	11

**ii) Share-based remuneration systems**

**iii) Long-term savings schemes**

**c) Summary of remuneration (in thousands of €):**

Must include in the summary the amounts for all items of remuneration included in this report that have been accrued by the director, in thousands of Euros.

In the case of long-term saving schemes, include contributions or funding for these types of schemes:

Name	Accrued remuneration in the Company				Accrued remuneration in Group companies				Totals		
	Total cash remuneration	Value of shares granted	Gross profit on options exercised	Total company financial year 2016	Total cash remuneration	Value of shares granted	Gross profit on options exercised	Total company financial year 2016	Total financial year 2016	Total financial year 2015	Contributions to savings schemes during the financial year.
DOMINUM DESGA, S.A.	65	0	0	65	0	0	0	0	65	62	0
CARLOS MANUEL JARQUE URIBE	1.125	0	0	1.125	12	0	0	12	1.137	0	202
SAMEDE INVERSIONES 2010, S.L.U.	33	0	0	33	0	0	0	0	33	32	0
DOMINUM DIRECCIÓN Y GESTIÓN, S.A.	34	0	0	34	0	0	0	0	34	30	0
EAC INVERSIONES CORPORATIVAS, S.L	56	0	0	56	23	0	0	23	79	82	0
INMOBILIARIA AEG, S.A. DE C.V.	15	0	0	15	10	0	0	10	25	30	0
ALEJANDRO ABOUMRAD GONZÁLEZ	385	0	0	385	0	0	0	0	385	328	0
GERARDO KURI KAUFMANN	47	0	0	47	191	0	0	191	238	332	0
ANTONIO GÓMEZ GARCÍA	13	0	0	13	0	0	0	0	13	0	0
MIGUEL ÁNGEL MARTÍNEZ PARRA	474	0	0	474	0	0	0	0	474	0	0
ALFONSO SALEM SLIM	13	0	0	13	0	0	0	0	13	0	0
HENRI PROGLIO	36	0	0	36	0	0	0	0	36	36	0
MANUEL GIL MADRIGAL	60	0	0	60	0	0	0	0	60	54	0
ÁLVARO VÁZQUEZ DE LA PUERTA	60	0	0	60	32	0	0	32	92	68	0
JUAN RODRÍGUEZ TORRES	54	0	0	54	27	0	0	27	81	26	0
<b>TOTAL</b>	<b>2.470</b>	<b>0</b>	<b>0</b>	<b>2.470</b>	<b>295</b>	<b>0</b>	<b>0</b>	<b>295</b>	<b>2.765</b>	<b>1.080</b>	<b>202</b>

**D.2 Report the relationship between remuneration obtained by the directors and the results or other measures of the entity's performance, explaining how any changes in the company's performance may have influenced changes in the remuneration of the directors.**

The remuneration of Company directors consists of a share of the net profit and therefore their remuneration is directly linked to the profit/loss of the business. In this regard, the profit/loss statement for 2015, approved in the 2016 ordinary General Meeting, posted losses, and therefore the directors were not remunerated as there were no profits, notwithstanding the director remuneration for their effective attendance at Board meetings and those of their internal Committees.

Additionally, the directors Mr. Carlos Manuel Jarque (CEO from 29/06/2016), Mr. Miguel Angel Martinez Parra (Director from 29/06/2016) and Mr. Alejandro Aboumrad Gonzalez were remunerated for the various remuneration items set out in their respective contractual agreements.

**D.3 Report the results of the consultative vote of the shareholders on the annual remuneration report for the preceding financial year, indicating the number of votes against, if any:**

	Number	% of the total
<b>Votes cast</b>	230.081.607	60,74%

	Number	% of the total
<b>Votes against</b>	16.794.911	7,30%
<b>Votes in favour</b>	211.820.178	92,06%
<b>Abstentions</b>	1.466.518	0,63%

**E OTHER SIGNIFICANT INFORMATION**

If there are any significant aspects regarding director remuneration that could not be included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the remuneration structure and practices of the company with respect to its directors, briefly describe them.

With regard to section D.1.c "Summary of the remuneration": On 7 February, 2017, an extraordinary contribution was made to Mr. Carlos Jarque's savings fund, in accordance with this contractual agreement, in the amount of 268,128.50.

Moreover, only those persons who have been directors during all or part of financial year 2016 are mentioned. Consequently, the comparison between the "total for the year 2016" and the "total for the year 2015" covers the remuneration received by those persons who were directors during that financial year, excluding those who were removed or stepped down during 2015.

This annual remuneration governance report was adopted by the company's board of directors at its meeting held on 10/03/2017.

State whether any Directors voted against or abstained from voting on the approval of this Report.

Yes

No