

## APPENDIX 1

### ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF QUOTED PUBLIC LIMITED COMPANIES

#### ISSUER'S IDENTIFICATION DETAILS

<b>END DATE OF RELEVANT YEAR</b>	31/12/2017
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<b>VAT (CIF) No.</b>	A28037224
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<b>COMPANY NAME</b>
FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

<b>REGISTERED OFFICE:</b>
CALLE BALMES 36, BARCELONA

## **MODEL ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF QUOTED PUBLIC LIMITED COMPANIES**

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

A.1 Explain the company's remuneration policy. In this section include information on:

- General principles and basis for the remuneration policy.
- Most significant changes made to the remuneration policy compared with that applied the previous year, and any changes made during the year to the conditions for the exercise of options already granted.
- Criteria used and composition of comparable groups of companies whose remuneration policies have been examined to establish the company's own remuneration policy.
- Relative importance of variable remuneration items compared with fixed items and criteria followed to determine the various components of the remuneration package for directors (pay mix).

#### **Explain the remuneration policy**

General principles and basis for the remuneration policy:

- Under article 38.3 of the articles of association, the remuneration policy for FCC directors takes into account the duties and responsibilities of each of them on the Board and its committees, according to their degree of involvement in the company, in order to motivate and retain the best-qualified professionals.

In this regard, the remuneration policy for directors aims for them to be remunerated at competitive market rates, similar to that paid by companies of a similar size in related business areas. It is reviewed regularly by the Appointments and Remuneration Committee with a view to making proposals to the Board for any changes that may be considered appropriate.

- The remuneration policy must also meet the requirements under section 28.4 of the Rules for the Board of Directors:

(...)

i. Remuneration of non-executive directors should be as necessary to reflect the degree of dedication, qualifications and responsibility that the position demands, avoiding such sums as might compromise their independence;

ii. Any remuneration linked to the company's or group companies' shares, share options or remuneration linked to the value of the shares, variable remuneration linked to the company's performance or forecasting systems are limited to executive directors unless, in the case of the delivery of shares, directors are obliged to hold them until they cease to be directors;

iii. Remuneration linked to the company's profits takes into account any exceptions noted in the external auditor's report that might reduce those profits; and

iv. In the case of variable remuneration, the appropriate technical precautions are built into the remuneration policies to ensure that any such remuneration is related to its beneficiaries' professional performance and is not derived merely from the general evolution of the markets or the company's business sector or other similar circumstances.

- With regard to remuneration items, article 38 ("Remuneration") of the articles of association provides:

"1. The office of director is remunerated.

2. The remuneration of directors in their condition as such, for the Board of Directors as a whole, shall consist of a share in the cash profits not exceeding two per cent (2%) of the profit for the year attributed to the company in the consolidated annual financial statements of the group that it controls, after covering the legal reserve and allocating to the shareholders a minimum dividend of four per cent (4%) of the par value of the shares. The corresponding percentage for each year shall be decided by the shareholders at a general meeting.

3. The Board shall distribute among its members such remuneration as has been decided by the general meeting of shareholders, taking into account the duties and responsibilities exercised by each director on the Board or its internal committees and other criteria under the Board Rules.

4. Notwithstanding, directors shall be remunerated for their attendance at Board and internal-committee meetings. For these purposes, the general meeting of shareholders shall determine the sum corresponding to each year for this item, to be distributed by the Board among its members, taking into account their effective attendance at board meetings and meetings of any internal committees on which they sit.

5. The company shall in any case also take out civil-liability insurance for its Board directors.

6. Pursuant to the relevant decision made by the general meeting of shareholders, directors' remuneration may also, and separately from that provided hereinabove, consist of the delivery of shares or share options or be linked to the value of the company's shares.

7. Directors' remuneration shall in any case be reasonable consistent with the company's size, its financial position from time to time and market standards of comparable companies. The remuneration system established shall be oriented towards fostering the company's long-term profitability and sustainability and build in the necessary precautions to avoid undue risks and rewarding unfavourable results.

8. The remuneration provided hereinabove for membership of the Board of Directors shall be compatible with any other salaries as employees, service providers or professional fees that may correspond to directors in consideration of their performance of management, executive, consulting or other roles in addition to their joint supervision and decision-making roles as Board directors of the company, which shall be determined by the Board as provided under the remuneration policy for directors approved by the shareholders, to be included in a contract entered into between the director and the company, having previously been approved by the Board with the votes in favour of at least two thirds of the Board members, as recorded in an appendix to the minutes of the Board meeting. The director in question shall recuse himself from these deliberations and from voting on this decision. This contract, which shall be consistent with the Company's remuneration policy, shall contain all the mentions required by law and, in particular, shall include any and all items for which the director may be remunerated in consideration of his or her performance of executive duties.

9. The Board shall prepare an annual report on the directors' remuneration, containing the company's remuneration policy as approved by the shareholders for the year in progress, an overall summary of how the remuneration was applied over the course of the year and details of the individual remuneration accrued for all items by each of the directors, to be distributed and voted upon, as an advisory, and as a separate item on the agenda, at the AGM in the terms established by law."

- The Board decided to continue with the same remuneration policy as in 2017, approving, at the Board meeting held on 27 February 2018, that the remuneration received for serving as a director in 2018 should be composed, as provided under the company's articles of association, of a fixed part, derived from sharing in any cash profits, and another part, depending on their effective attendance at Board and committee meetings, under the same terms and applying the same sums as those set out in the 2016 remuneration-policy report. Consequently, the remuneration policy for directors in 2018 will be as follows: (NOTE: FCC is one of the quoted Spanish companies that remunerate their Board members the least, according to the Spencer Stuart Index of Board of Directors 2017, 21st edition.)

A) Fixed remuneration linked to any cash profits:

The annual remuneration received by directors in consideration of their membership of the Board or its various committees is structured as established under article 38 of the articles of association, consisting of a share in the year's cash profits as reported in the Group's consolidated annual financial statements, in no case exceeding 2% of such profits and only after covering the legal reserve and allocating to the shareholders a minimum dividend of 4% of the par value of the shares. In any case, the percentage corresponding to each year is set by the shareholders at the general meeting.

## B) Remuneration for effective attendance at Board and Board-committee meetings

For the year in progress, remuneration accrues for effective attendance in person (i.e., physical presence rather than by being represented) or by distance media (e.g. video conferencing or conference calls) at meetings of the Board or its committees.

The sum per meeting of this remuneration for the year in progress will be as follows:

### REMUNERATION FOR EFFECTIVE ATTENDANCE

#### SUM IN EUROS PER MEETING

Board of Directors 2,500

Executive Committee 1,875

Auditing and Control Committee 1,500

Appointments and Remuneration Committee 1,500

The remuneration for non-executive directors does not include any variable-remuneration items linked to FCC's shares or any other instrument.

Under article 38.5 of the articles of association, the company takes out civil-liability insurance for directors.

## A.2 Information on the preparatory work and decision-making process followed to determine the remuneration policy and the role of the Remuneration Committee and any other control bodies in shaping the remuneration policy This information should include the mandate and composition of any Remuneration Committee and the identity of any external advisers whose services have been used to define the pay policy. Also give details of any directors involved in defining the pay policy.

### Explain the process for determining the remuneration policy

Process for preparing the report (s. 28.3 Board Rules)

The members of the Appointments and Remuneration Committee have been involved in the determination of the remuneration policy and the preparation of this report.

Information has been used and advice taken from the company's internal services, without any advice having been sought from external consultants.

Under section 38.4 of the Board Rules, the remit of the Appointments and Remuneration Committee includes:

"(f) Proposing to the Board the remuneration policy for Board directors and managing directors or persons performing senior management roles and reporting directly to the Board, the Executive Committee or the CEO, and the individual remuneration and other contract conditions for executive directors, supervising compliance. Also, reporting on and proposing multi-year incentive plans affecting the company's senior executives and, in particular, any established in relation to the value of the shares. Also, proposing to the Board the distribution among the directors of remuneration for their holding office as directors, as decided by the shareholders and in accordance with the articles of association and these Rules."

The composition of the Appointments and Remuneration Committee is as follows:

- Chair: Alvaro Vázquez de Lapuerta (independent)
- DOMINUM DESGA S.A., represented by Esther Alcocer Koplowitz (proprietary)
- Juan Rodríguez Torres (proprietor).
- Manuel Gil Madrigal (independent)
- Felipe Bernabé García Pérez (non-member secretary)

Finally, also taken into account when determining the remuneration policy has been data on the remuneration paid in the market by companies of a similar size and area of business, and the recommendations and stipulations contained in the Unified Code for Good Governance issued by the National Stock Market Commission in respect of the structure of directors' remuneration.

A.3 State the sum and nature of fixed components, itemising any remuneration for the performance of senior-management roles by executive directors, extra remuneration for the chairman or members of any Board committees, allowances for Board and committee meetings or any other fixed remuneration for directors, and give an estimate of the resulting annual fixed remuneration. Identify any other benefits not paid in cash and the basic parameters for granting them.

<b>Explain the fixed components of the remuneration</b>
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As mentioned, FCC board members are entitled to receive fixed remuneration in terms of sharing in the company's cash profits, plus allowances for effective attendance at meetings of the Board and its committees, in the terms set out in section A.1 above.

Also, with regard to the company's executive directors, for 2018 the Board has determined the following structure for directors' remuneration for their executive duties:

- Pablo Colio Abril:

- Fixed remuneration for exercising the role of CEO: €525,000.
- Estimated remuneration for effective attendance as a Board member: €30,000.
- Estimated remuneration for effective attendance as an Executive Committee member: €22,500.

- Gerardo Kuri Kaufmann:

- Fixed remuneration for exercising his senior-management role: €0 (NOTE: Gerardo Kuri Kaufmann has been classed as an executive director as he is the CEO at CPV, a company that is controlled by FCC. As he has no senior-management role at FCC, he receives no fixed or variable remuneration.)
- Estimated remuneration for effective attendance as a Board member: €30,000.
- Estimated remuneration for effective attendance as an Executive Committee member: €22,500.

A.4 Explain the sum, nature and main characteristics of the variable components of the remuneration systems.

In particular:

- Identify each of the remuneration plans of which the directors are beneficiaries, stating their scope, approval date, implementation date, term of validity and main characteristics. In the case of share options and options on other financial instruments, the general characteristics of the plan should include information on the conditions for exercising such options or financial instruments for each plan.
- Indicate any remuneration as profit-sharing or bonuses, and state why they were granted.
- Explain the basic parameters and basis for any annual bonuses.
- The classes of directors (executive directors, external proprietary directors, external independent director or other external directors) that are beneficiaries of any remuneration systems or plans that include variable remuneration.
- The basis of these variable remuneration systems or plans, the criteria chosen for assessing performance, and the components and assessment methods for determining whether or not those assessment criteria have been met, plus an estimate of the absolute sum of variable remuneration that would be obtained under the current pay plan, depending on the degree of compliance with the benchmark hypotheses or targets applied.
- Indicate any deferred or postponed payment established or periods for holding shares or other financial instruments.

### Explain the variable components of the pay systems

The company's executive directors are the only Board members who receive variable remuneration. In this regard, the Board has decided to maintain in 2018 the structure for variable remuneration paid to directors for their executive roles, as follows:

• Pablo Colio Abril:

As CEO, Pablo Colio Abril will participate in the variable-pay system, which may potentially reach 50% of his fixed salary if the targets set are met.

This will be directly conditioned by compliance with the company's targets, for the assessment of which the EBITDA result and operating cash flow of the relevant financial year will be taken into account, following the guidelines implemented by FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A. at its subsidiaries to determine the variable remuneration for management personnel. Nevertheless, even though in any given financial year the companies' results measured according to the parameters described may not reach the targets set by the company, the Board may decide, at its own discretion, to pay directors higher variable remuneration than would be obtained if the requirements were strictly applied.

The remaining 50% of the variable recognised will depend directly on the directors' compliance with the targets set for them. The decision on the specific sum of this is made by the Board, after considering a report from the Appointments and Remuneration Committee.

For the calculation of the variable for 2017, the actual fixed salary received during the year (January–December) will be used as the baseline.

• Gerardo Kuri Kaufmann:

Gerardo Kuri Kaufmann receives no variable remuneration at FCC (NOTE: Gerardo Kuri Kaufmann has been classed as an executive director as he is the CEO at CPV, a company that is controlled by FCC. As he has no senior-management role at FCC, he receives no fixed or variable remuneration.)

**A.5 Explain the main characteristics of long-term saving systems, including retirement and any other survival benefits paid for in full or in part by the company, whether provided internally or externally, estimating their sum or equivalent annual cost, and stating the type of plan, i.e., whether it involved a fixed contribution or consideration, the conditions for consolidating economic rights for directors and their compatibility with any kind of severance payment on the termination of the contract between the company and the director.**

Also state any contributions made to fixed-contribution pension plans for the director, or any increase in the director's consolidated rights, in the case of fixed-consideration plans.

### Explain the long-term savings systems

N/A.

**A.6 Indicate any compensation agreed or paid in the case of termination of a director's Board position.**

### Explain the compensation

• Pablo Colio Abril:

Also in the case of the contractual relationship being terminated by the CEO on any of the following grounds:

- Substantial changes to working conditions with a negative impact on his professional training, undermining his dignity or implemented by the company in serious contravention of the principles of good faith.
- Failure to pay the remuneration contractually agreed for three consecutive months or six non-consecutive months.
- Corporate succession or significant changes to the company's structure resulting in renewal of its governing bodies or the content of its core business, provided that termination occurs within three months following such changes.

- Any other serious breach of the company's contractual undertakings, save in cases of force majeure, for which no compensation will be applicable.

As in the case of the company's unilateral free withdrawal, the CEO will be entitled to receive compensation equivalent to the sum of the following two items:

(a) The sum resulting from terminating the CEO's previous contract, calculated as of 12 September 2017 (and in accordance with the regulations in force on that date) with FCC Construcción or any other FCC Group Company; and

(b) the sum resulting from multiplying 7 days of salary by the number of years elapsed since 12 September 2017 until the time of termination of the contract.

**A.7 State the conditions to be met by the contracts of those performing senior management roles as executive directors, including but not limited to: reporting on the duration, limits for compensation sum, permanence clauses, notice periods and payment in lieu of notice, and any other clauses on contract premiums and compensation or protection for advance termination of the contractual relationship between the company and the executive director. Include, among others, any stand-down, exclusivity, permanence or loyalty and post-contractual non-competition agreements.**

**Explain the contractual conditions for executive directors**

• Pablo Colio Abril

Contract from 12 September 2017.

Term: Indefinite.

Exclusivity: Yes.

No-competition agreement Yes, for one year following termination of the contract.

Confidentiality: Yes.

Advance notice and advance termination: At least 3 months notice must be given, whether the contract is terminated at the director's own request or by the company's free, unilateral withdrawal.

With regard to compensation, payment terms and calculation methods, the provisions under section A.6 above are applicable.

**A.8 Explain any additional remuneration accrued by directors in consideration of services rendered other than those inherent to their positions.**

**Explain any additional remuneration**

At the Board meeting held on 27 February 2015, it was decided that FCC would enter into a contract for the provision of services with the director Alejandro Aboumrad, for a gross annual sum not exceeding €338,000. The contract was signed on the same date. This is the only case of additional remuneration for services rendered to the company.

**A.9 Indicate any remuneration in the form of advances, loans and guarantees granted, stating the interest rate, their essential characteristics and the sums finally returned, and any undertakings made in respect of them as guarantees.**

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

The company has granted no advances, loans or guarantees to any of its Board directors.

A.10 Explain the main characteristics of any remuneration in kind.

**Explain any remuneration in kind**

The company has established the following types of remuneration in kind for the executive director, Pablo Colio Abril:

Travel insurance:

Pablo Colio Abril is the beneficiary of accident insurance for his travel by air, train or ship as part of his professional role with the company. This insurance is taken out for all the company's employees. Sum of cover: €601,012.10 per person, with a cap of €4,207,091.00 per claim. The sum of the premium is paid in full by the company.

Insurance covering death or permanent total disability as the result of an accident:

Pablo Colio Abril is the beneficiary of insurance covering death or permanent total disability as the result of an accident. This insurance is taken out for all the company's employees to cover accidents resulting in fatalities or permanent total disability, during or outside working hours, under the terms set out in the relevant policy. The cover for both contingencies will cover one year of the beneficiaries' respective salaries. The sum of the premium is paid in full by the company.

Health insurance:

The company covers 50% of the cost of a health-insurance policy for Pablo Colio Abril and his family. The sum due for the company's health insurance for 2018 totals €2,078.04.

Other: Accident insurance has been taken out for all the Board directors, covering the following, both in the course of their duties and in their personal lives:

- Death
- Total permanent disability
- Absolute permanent disability
- Major disability.

The duration of this policy is for one year, renewable annually, with a premium of €7,385.17.

A.11 Indicate any remuneration accrued by the director pursuant to payments made by the quoted company to a third-party entity where he serves as a director if such payments are intended to remunerate the director's services to the company.

**Explain any remuneration accrued by the director pursuant to payments made by the quoted company to a third-party entity where he serves as a director**

N/A.

A.12 Any other remuneration item other than the above, regardless of its nature or the paying group entity, particularly if considered as a linked operation or if its issue may distort an accurate picture of the total remuneration accrued by the director.

**Explain any other remuneration items**

N/A.

A.13 Explain the actions taken by the company in respect of the remuneration system in order to reduce exposure to excessive risks and adapt it to the company's objectives, values and long-term interests, to include, as relevant, reference to: measures in place to ensure that the remuneration policy is in accordance with the company's long-term results, measures establishing an appropriate balance between fixed and variable remuneration components, measures adopted for any personnel categories whose work has material impact on the entity's risk profile, re-collection formulas or clauses to claim the return of variable remuneration components based on results if such components have been paid in accordance with data later proven to be inaccurate, and any measures in place to avoid conflicts of interest.



### Explain the actions taken to reduce risks

FCC's remuneration system is directly linked to the company's results, since the directors' remuneration consists mostly of a share in the company's cash profits. Thus, if there are no profits FCC's Board members receive only allowances for their effective attendance at Board and committee meetings.

Also, under section 28.2 of the Board Rules, the criteria to be met by the company's pay policy include the requirement for remuneration to be reasonably in proportion to the company's size, financial position from time to time and market standards of comparable companies, and for the remuneration system in place to be oriented towards fostering the company's long-term profitability and sustainability, including the necessary precautionary mechanisms to avoid assuming excessive risks and regarding bad results.

With regard to the measures in place to avoid conflicts of interest, sections 22 and 23 of FCC's Board Rules stipulate that directors are obliged to abstain from attending, participating in deliberations and voting on any matters in which they have a direct or indirect interest. Directors must also inform the Board sufficiently in advance, via the Corporate Responsibility Department or body acting in its stead, of any situation that might involve a conflict of interest with the company or other FCC Group companies or associates.

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

Repealed.

## **C** OVERVIEW OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

C.1 Summarise the main characteristics of the pay structure and items under the remuneration policy applied during the year ended, resulting in the detailed individual remuneration accrued by each of the directors as indicated in section D of this report, and also summarise the decisions made by the Board for the application of these items.

### Explain the pay structure and items under the remuneration policy applied during the year

As mentioned, under article 38.2 of the articles of association, the remuneration of FCC's Board directors consists of a share in the company's cash profits.

As the 2016 results, approved at the 2017 AGM, showed a loss, the directors accrued no remuneration for this item, as there were no profits to be shared.

Nevertheless, the directors were remunerated for their attendance at Board and internal-committee meetings.

The executive directors have also been remunerated for the various pay items provided under their contracts.

Certain FCC directors have also accrued remuneration as board members of other group companies (specifically, Cementos Portland Valderrivas S.A.).



## DETAILS OF INDIVIDUAL EARNINGS ACCRUED BY EACH OF THE DIRECTORS

Name	Type	Accrual period 2017
DOMINUM DIRECCIÓN Y GESTIÓN S.A.	Proprietary	From 1 January to 31 December 2017.
EAC INVERSIONES CORPORATIVAS S.L.	Proprietary	From 1 January to 31 December 2017.
INMOBILIARIA AEG S.A. DE C.V.	Proprietary	From 1 January to 31 December 2017.
MIGUEL ANGEL MARTÍNEZ PARRA	Executive	From 1 January to 12/09/2017.
ALFONSO SALEM SLIM	Proprietary	From 1 January to 31 December 2017.
ANTONIO GÓMEZ GARCÍA	Proprietary	From 1 January to 31 December 2017.
JUAN RODRÍGUEZ TORRES	Proprietary	From 1 January to 31 December 2017.
CARLOS MANUEL JARQUE URIBE	Proprietary	From 1 January to 31 December 2017.
PABLO COLIO ABRIL	Executive	From 1 January to 31 December 2017.
SAMEDE INVERSIONES 2010 S.L.U.	Proprietary	From 1 January to 31 December 2017.
DOMINUM DESGA S.A.	Proprietary	From 1 January to 31 December 2017.
ALEJANDRO ABOUMRAD GONZÁLEZ	Proprietary	From 1 January to 31 December 2017.
GERARDO KURI KAUFMANN	Executive	From 1 January to 31 December 2017.
HENRI PROGLIO	Independent	From 1 January to 31/12/2017.
MANUEL GIL MADRIGAL	Independent	From 1 January to 31 December 2017.
ALVARO VÁZQUEZ DE LAPUERTA	Independent	From 1 January to 31 December 2017.

D.1 Complete the following charts on the individual remuneration for each of the Board directors (including any remuneration for holding executive positions) accrued during the year.

**a) Remuneration accrued at the reporting:**

**i) Remuneration in cash (€000)**

Name	Salaries	Fixed remuneration	Allowances	ST variable remuneration	LT variable remuneration	Remuneration for membership of Board committees	Compensation	Other items	Total for 2017	Total for 2016
DOMINUM DESGA S.A.	0	0	47	0	0	0	0	0	47	65
CARLOS MANUEL JARQUE URIBE	679	0	32	234	0	0	0	714	1,659	1,125
SAMEDE INVERSIONES 2010 S.L.U.	0	0	23	0	0	0	0	0	23	33
EAC INVERSIONES CORPORATIVAS S.L.	0	0	34	0	0	0	0	0	34	56
JUAN RODRÍGUEZ TORRES	0	0	50	0	0	0	0	0	50	54
ALEJANDRO ABOUMRAD GONZÁLEZ	0	0	34	0	0	0	0	338	372	385
GERARDO KURI KAUFMANN	0	0	34	0	0	0	0	0	34	47
ANTONIO GÓMEZ GARCÍA	0	0	23	0	0	0	0	0	23	13
HENRI PROGLIO	0	0	16	0	0	0	0	0	16	36
MANUEL GIL MADRIGAL	0	0	48	0	0	0	0	0	48	60
ALVARO VÁZQUEZ DE LAPUERTA	0	0	48	0	0	0	0	0	48	60
DOMINUM DIRECCIÓN Y GESTIÓN S.A.	0	0	23	0	0	0	0	0	23	34
PABLO COLIO ABRIL	131	0	0	7	0	0	0	1	139	0
MIGUEL ANGEL MARTÍNEZ PARRA	254	0	17	101	0	0	0	3	375	474
ALFONSO SALEM SLIM	0	0	23	0	0	0	0	0	23	13
INMOBILIARIA AEG S.A. DE C.V.	0	0	17	0	0	0	0	0	17	15

**ii) Share-based pay systems**

**iii) LT savings system**

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

**i) Remuneration in cash (€000)**

Name	Salaries	Fixed remuneration	Allowances	ST variable remuneration	LT variable remuneration	Remuneration for membership of Board committees	Compensation	Other items	Total for 2017	Total for 2016
EAC INVERSIONES CORPORATIVAS S.L.	0	0	16	0	0	0	0	0	16	23
GERARDO KURI KAUFMANN	0	0	14	0	0	0	0	175	189	191
INMOBILIARIA AEG S.A. DE C.V.	0	0	12	0	0	0	0	0	12	10
JUAN RODRÍGUEZ TORRES	0	0	22	0	0	0	0	0	22	27
ALVARO VÁZQUEZ DE LAPUERTA	0	0	22	0	0	0	0	0	22	32
CARLOS MANUEL JARQUE URIBE	0	0	14	0	0	0	0	0	14	12

**ii) Share-based pay systems**

**iii) LT savings system**

**c) Summary of remuneration (€000):**

Include in this summary the sums corresponding to all the remuneration items covered by this report that have been accrued by the director (in thousands of euros).

Include any contributions or payments made to long-term saving systems:

	Remuneration accrued within the company				Remuneration accrued at group companies				Totals		
	Total remuneration in cash	Sum of shares granted	Gross profit from options exercised	Total 2017 within company	Total remuneration in cash	Sum of shares delivered	Gross profit from options exercised	Total 2017 at group	Total 2017	Total 2016	Contribution to saving systems during the year
DOMINUM DESGA S.A.	47	0	0	47	0	0	0	0	47	65	0
CARLOS MANUEL JARQUE URIBE	1,659	0	0	1,659	14	0	0	14	1,673	1,137	510
PABLO COLIO ABRIL	139	0	0	139	0	0	0	0	139	0	0
SAMEDE INVERSIONES 2010 S.L.U.	23	0	0	23	0	0	0	0	23	33	0
DOMINUM DIRECCIÓN Y GESTIÓN S.A.	23	0	0	23	0	0	0	0	23	35	0
EAC INVERSIONES CORPORATIVAS S.L.	34	0	0	34	16	0	0	16	50	79	0
INMOBILIARIA AEG S.A. DE C.V.	17	0	0	17	12	0	0	12	29	25	0
JUAN RODRÍGUEZ TORRES	50	0	0	50	22	0	0	22	72	81	0
ALEJANDRO ABOUMRAD GONZÁLEZ	372	0	0	372	0	0	0	0	372	385	0
GERARDO KURI KAUFMANN	34	0	0	34	189	0	0	189	223	238	0
ANTONIO GÓMEZ GARCÍA	23	0	0	23	0	0	0	0	23	13	0
MIGUEL ANGEL MARTÍNEZ PARRA	375	0	0	375	0	0	0	0	375	475	0
ALFONSO SALEM SLIM	23	0	0	23	0	0	0	0	23	13	0
HENRI PROGLIO	16	0	0	16	0	0	0	0	16	36	0
MANUEL GIL MADRIGAL	48	0	0	48	0	0	0	0	48	61	0
ALVARO VÁZQUEZ DE LAPUERTA	48	0	0	48	22	0	0	22	70	93	0
<b>TOTAL</b>	<b>2,931</b>	<b>0</b>	<b>0</b>	<b>2,931</b>	<b>275</b>	<b>0</b>	<b>0</b>	<b>275</b>	<b>3,206</b>	<b>2,769</b>	<b>510</b>

## D.2 Report on the links between the remuneration obtained by Board directors and the entity's results or other measurements of its performance, explaining any variations in the company's performance that might have affected variations in directors' remuneration.

The company's directors are remunerated by sharing in any cash profits. Their remuneration is therefore directly linked to the entity's results. As the 2016 financial statements, approved at the 2017, showed losses, no remuneration corresponded to the directors, given that there were no profits to be shared. Their remuneration was therefore limited to their allowances for effective attendance at Board and committee meetings. Also the directors Pablo Colio Abril (CEO since 12 September 2017), Carlos Manuel Jarque Uribe (CEO from 29 June 2016 until 12 September 2017), Miguel Angel Martínez Parra (Executive Director from 29 June 2016 until 12 September 2017) and Alejandro Aboumrad González were paid various remuneration items as provided under their contracts.

## D.3 Report on the result of the shareholders' consulting vote on the previous year's annual report on remuneration, stating the number of votes cast against, if any.

	No.	% of total
<b>Votes cast</b>	336,878,433	88.93%

	No.	% of total
<b>Votes against</b>	25,117,234	7.46%
<b>Votes for</b>	311,760,781	92.54%
<b>Abstentions</b>	418	0.00%

## **E** OTHER RELEVANT INFORMATION

Give brief details of any other relevant matters related to directors' remuneration that is not covered in the other sections of this report but should be included in order to provide a full, detailed explanation of the company's pay structure and practices for its directors.

Note 1: With regard to section D.1(a)(i): Carlos Manuel Jarque Uribe: "Other items" (€714,000): This figure is the sum of two amounts: €5,400 for life insurance and €708,333 corresponding to a severance payment including a no-competition undertaking.

Note 2: With regard to section D.1(c): Carlos Manuel Jarque Uribe: "Contribution to the saving system during the year" (€510,000): Over the course of 2017, Fomento de Construcciones y Contratas, S.A. has made monthly contributions to Carlos Jarque Uribe's savings fund, totalling €242,221.54. Also, in February 2017 an extraordinary contribution of €268,129 was made to this fund, as contractually agreed. Therefore, the total sum contributed to Carlos Jarque Uribe's savings fund in 2017 is €510,350.54, with the accumulated funds totalling €711,930. On 28 September 2017, Fomento de Construcciones y Contratas S.A. received the sum of €712,135.49 on the surrender of the policy taken out.

This annual report on remuneration was approved by the company's Board of Directors at a meeting held on 28 February 2018.

State whether any directors have voted against or abstained from voting on the approval of this report.

Yes

No