

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

ISSUER'S IDENTIFICATION DETAILS

END DATE OF RELEVANT YEAR

31/12/2018

VAT (CIF) No.

A28037224

COMPANY NAME

FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

REGISTERED OFFICE:

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 for directors applicable to the current year. As far as relevant, certain information may be included by reference to the remuneration policy approved by the general meeting of shareholders, provided that the incorporation is clear, specific and concrete.

The specific determinations for the current year must be described as regards the remuneration of the directors due to their status as such and for the performance of executive functions, which the board would have carried out in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general meeting of shareholders. In any case, at least the following aspects must be reported:

- Description of the procedures and bodies of the company involved in the determination and approval of the remuneration policy and its conditions.
- Indicate and, if applicable, explain if comparable companies have been taken into account to establish the company's remuneration policy.
- Information on whether an external consultant has participated and, if applicable, identity of them.

- 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.

- 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.
(...)

- The current remuneration policy was approved at the General meeting of shareholders on 28 June 2018, in accordance with the provisions of article 529 novodecies of the Spanish Corporate Law, and will remain in effect for three years following its approval by the General Board.

The remuneration policy approved stated that the remuneration received for serving as a director 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.

Consequently, the mixed remuneration system will be composed of two components:

A) Fixed remuneration linked to any cash profits:

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

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.

- The members of the Appointments and Remuneration Committee participated in the determination of the remuneration policy, as well as in 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, it is within remit of the Appointments and Remuneration Committee.

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 (proprietary).
- 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.

- Relative importance of variable remuneration items with respect to fixed items (remuneration mix) and what criteria and targets have been taken into account in its determination and to ensure an adequate balance between the fixed and variable remuneration components. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and adjust it to the long-term objectives, values and interests of the company, which will include, where appropriate, a reference to measures foreseen to ensure that in the remuneration policy, the company's long-term results are taken into account, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile and measures provided to avoid conflicts of interest, where appropriate.

Also, indicate if the company has established any period of accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a deferral period in the payment of amounts or delivery of financial instruments already accrued and consolidated, or if a clause has been agreed on the reduction of deferred remuneration or that obliges the director to refund the remuneration received, when such remunerations have been based on data whose inaccuracy has been later manifestly misstated.

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.

The obligation to strictly observe the provisions of the Code of Conduct is established, with respect to its rules of confidentiality, professional ethics and conflict of interest.

Under article 29.1 of the Regulations of the Board, the directors will be liable to the Company, to the shareholders and to the corporate creditors for the damage caused by acts or omissions contrary to the Law or the Bylaws or by those carried out in breach of the inherent duties in charge, provided that fraud or fault has intervened.

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.

- State the sum and nature of fixed components that the directors are expected to accrue for their positions as such in the year.

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.

- State the sum and nature of fixed components, which will be accrued for the performance of senior-management roles by executive directors

With regard to the company's executive directors, for 2019 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
- Estimated remuneration for effective attendance as a Board member: €30,000.
- Estimated remuneration for effective attendance as an Executive Committee member: €22,500.

- State the sum and nature of any remuneration in kind, which will be accrued in the year including, but not limited to, the insurance premiums paid in favor of the director.

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 2019 totals €2,217.56.

-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.

- State the sum and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, including social, environmental and climate change indicators, selected to determine variable remuneration in the current year, an explanation of the extent to which such parameters are related to the performance of both the director and the entity and its risk profile, and the methodology, necessary term and techniques foreseen to be able to determine, at the end of the year, the degree of compliance with the parameters used in the design of the variable remuneration.

Indicate the range in monetary terms of the different variable components depending on the degree of compliance with the established objectives and parameters, and if there is a maximum monetary amount in absolute terms.

The company's executive directors are the only Board members who receive variable remuneration.

The current remuneration policy approved at the General meeting of shareholders on 28 June 2018, in effect for three years following, maintain the structure for variable 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 2018, the actual fixed salary received during the year (January–December) will be used as the baseline.

- The main characteristics of long-term saving systems. Among other information, the contingencies covered by the system will be indicated, if

it is a fixed contribution or consideration, the annual contribution that must be made to the fixed contribution systems, the benefit to which the beneficiaries are entitled in the case of systems of fixed contribution, 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.

It should be indicated if the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the director's short and long-term performance.

N/A.

- Indicate any compensation agreed or paid in the case of termination of a director's Board position, in the terms foreseen between the company and the director, whether the company or the director cease at will, as well as any type of agreed pacts, such as exclusivity, post-contractual non-competition and permanence or loyalty, which give right to counselor to any kind of perception.

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 settlement with date of calculation, the beginning of the contractual relationship (and in accordance with the regulations applicable on that date), the employment relationship that the Executive Director previously had with any FCC Group company.

- b) The sum resulting from multiplying 7 days of salary by the number of years elapsed since the beginning of the contractual relationship date until the time of termination of the contract.

The anticipated resolution of the previous relationship, unless there is justifying cause of dismissal, will entail compensation in the terms established by the Workers' Statute in relation to unfair dismissal.

- 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.

Pablo Colio Abril

Term: Indefinite.

Exclusivity y No-competition agreement: The dedication must be exclusive and therefore it will not be able to conclude service contracts with other companies or entities.

There is a non-competition agreement, for a period of one year after termination of the contract. Certain prohibitions of competition and recruitment of customers, employees and suppliers are envisaged for a year after their termination.

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.

Code of Business Conduct: The obligation to strictly observe the provisions of the code of conduct is established, with respect to its rules of confidentiality, professional ethics and conflict of interest.

Conflict of interest: It is established in articles 22 and 23 of the Rules of the Board of Directors of FCC, that directors have a duty to abstain from attendance and intervention in deliberations that affect matters in which they may be interested, directly or indirectly, and to vote in the corresponding decisions. Likewise, the directors must inform the Board through the Corporate Responsibility Department or any other person that could substitute it, with due notice, of any situation that could lead to a conflict of interest with the interest of the Company or of the group of companies integrated in the FCC Group or its related companies.

Liability: Under article 29.1 of the Rules of the Board, the directors will be liable to the Company, to the shareholders and to the corporate creditors for the damage caused by acts or omissions contrary to the Law or the Bylaws or by those carried out in breach of the inherent duties in charge, provided that fraud or fault has intervened.

- State the sum and nature of any additional remuneration accrued by directors in consideration of services rendered other than those inherent to their positions.

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.

- Other remuneration such as derivatives, where applicable, of the grant by the company to the director of advances, credits and guarantees and other remunerations.

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

- The nature and estimated sum of any other expected supplementary remuneration not included in the previous sections, whether it is paid by the entity or another group entity, which will be accrued by the directors in the current year

N/A.

A.2 Explain any relevant change in the remuneration policy applicable in the current year derived from:

- A new policy or a modification of the policy already approved by the Board.
- Relevant changes in the specific determinations established by the board for the current year of the current remuneration policy with respect to those applied in the previous year.
- Proposals that the board of directors had agreed to submit to the general meeting of shareholders to which this annual report will be submitted and which are proposed to be applicable to the current year.

- The Remuneration policy was approved at the General meeting of shareholders on 28 June 2018, in accordance with the provisions of article 529 novodecies of the Spanish Corporate Law, and will remain in effect for three years following its approval by the General Board.

- There are no changes.

- There are no proposals from the Board of Directors to submit to the General Shareholders' Meeting to which this annual report will be submitted.

A.3 Identify the direct link to the document that shows the current remuneration policy of the company, which must be available on the company's website.

A.4 Explain, taking into account the information provided in section B.4, how the vote of the shareholders was taken into account in the general meeting to which the Annual Report on Remuneration of the previous year was submitted for a vote.

Considering the votes in favor obtained at the last General Meeting on June 28, 2018, the Remuneration Policy will be maintained without any changes being made, valued for the support and trust granted in the aforementioned voting by the majority of capital.

B GLOBAL SUMMARY OF HOW THE RETRIBUTION POLICY WAS APPLIED DURING THE YEAR ENDED.

B.1. Explain the process that has been followed to apply the remuneration policy and determine the individual remuneration that is reflected in section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, where appropriate, the identity and role of the external advisors whose services have been used in the process of applying the remuneration policy in the year ended.

In accordance with the provisions of the Annual Report on the Remuneration of Directors, which was submitted to an advisory vote and approved by the Ordinary General Shareholders' Meeting of June 28, 2018, and under provisions of article 38 of the Bylaws, the remuneration system of the directors includes (a) the remuneration consisting of a participation in the liquid profits once the attention of the Legal Reserve is covered, and if the partners have been recognized a minimum dividend of four percent (4%) of the nominal value of the shares; and (b) a payment for the effective attendance of the directors to the meetings of the Board and its Committees.

The income statement showed a positive result that was distributed to provide the legal reserve and the voluntary reserve.

In accordance with the foregoing, the accrual of the directors' compensation consisting of a participation in liquid profits did not proceed.

The Directors were paid for attending the meetings of the Board and its internal committees. A fee was paid for effective attendance in person 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 was 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

Consequently, the directors were paid for the performance of their positions only for effective attendance at meetings of the Board or its committees.

Likewise, the executive directors have been remunerated for the different remuneration items foreseen in their contracts.

Within the remuneration of the non-executive Directors, there were no variable remuneration items linked to the value of FCC shares or any other instrument.

On the other hand, some FCC directors have earned compensation for belonging to the Board of other group companies (specifically, Cementos Portland Valderrivas, S.A.).

-The members of the Appointments and Remuneration Committee participated in the determination of the remuneration policy, as well as in 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.”

- B.2. Explain the actions taken by the company in relation to the remuneration system and how they have contributed to reduce exposure to excessive risks and adjust it to the long-term objectives, values and interests of the company, which will include, where appropriate, a reference to measures foreseen that have been adopted to ensure that in the remuneration policy, the company's long-term results are taken into account, the measures that have been adopted

in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile and measures that have been adopted to avoid conflicts of interest, where appropriate.

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.3. Explain how the remuneration accrued in the year ended complies with the provisions of the current compensation policy.

Also report on the relationship between the remuneration obtained by the directors and the results or other short and long-term performance measures of the entity, explaining, where applicable, how variations in the company's performance have been able to influence the variation in the remuneration of directors, including those accrued whose payment had been deferred, and how these contribute to the short and long-term results of the company.

As indicated above, and in accordance with the provisions of article 38.2 of the Articles of Association, the remuneration of the Company's directors consists of a share in the company's cash profits of the result for the year included in the consolidated annual accounts of the Company Group, in no case can exceed 2% of these benefits and once the attention of the Legal Reserve is covered, and if the partners have been granted a minimum dividend of 4% of the nominal value of the shares. In any case, it corresponds to the General Meeting to set the percentage that corresponds to each year.

In accordance with the foregoing, the accrual of directors' compensation consisting of a participation in cash profits is not applicable, as no dividend was recognized to the shareholders in 2018 with respect to the accounts for the year 2017.

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.).

B.4. Report of the result of the advisory vote of the General Meeting to the Annual Report on Remuneration of the previous year, indicating the number of negative votes that may have been cast:

	Number	% of the total
Votes cast	339,204,217	89.54

	Number	% of the votes cast
Votes against	27,666,571	8.16
Votes in favour	311,536,140	91.84
Abstentions	1,506	0.00

Remarks

B.5. Explain how the fixed components accrued during the year ended have been determined by the Directors in their condition as such, and how they have varied with respect to the previous year.

-The directors were remunerated for their attendance at Board and internal-committee meetings. Consequently, the directors were paid for the performance of their positions only for effective attendance at meetings of the Board or its committees.

- There are no changes with respect to the previous year.

B.6. Explain how the remuneration accrued during the year ended have been determined by each of the executive directors for the performance of management functions, and how they have varied from the previous year.

The General Meeting of Shareholders in the document “Remuneration Policy” has determined for 2019 the following structure for directors' remuneration for their executive duties:

- **Pablo Colio Abril:**
Fixed remuneration for exercising the role of CEO: €525,000.
- **Gerardo Kuri Kaufmann:**
Fixed remuneration for exercising his senior-management role: €0

There are no changes with respect to the previous year.

B.7. Explain the nature and main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

Identify each of the compensation plans that have determined the different variable remunerations accrued by each of the directors during the year ended, including information on their scope, their approval date, implementation date, accrual periods and validity, criteria that they have been used for the evaluation of performance and how this has impacted in the setting of the variable amount accrued, as well as the measurement criteria that have been used and the time needed to be able to adequately measure all the stipulated conditions and criteria.

In the case of share option plans or other financial instruments, the general characteristics of each plan will include information on the conditions to acquire unconditional ownership (consolidation), as well as to be able to exercise options or financial instruments, including the price and term of exercise.

Each one of the directors, and their category (executive directors, external proprietary directors, independent external directors or other external directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.

Where appropriate, report on the accrual periods or deferment of payment established that have been applied and/or the periods of retention/non-disposal of shares or other financial instruments, if they exist.

Explain the Short-term variable components of the remuneration systems

The company's executive directors are the only Board members who receive variable remuneration. In this regard, General Meeting of Shareholders 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 2018, the actual fixed salary received during the year (January– December) will be used as the baseline.

Explain the long-term variable components of the remuneration systems
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N/A.

- B.8. Indicate whether it has proceeded to reduce or claim the return of certain variable components when, in the first case, the payment was consolidated and deferred or, in the second case, consolidated and paid, based on data whose inaccuracy was later demonstrated manifestly. Describe the amounts reduced or returned by the application of clauses of reduction or refund (clawback), why they have been executed and the exercises to which they correspond.

N/A.

- B.9. Explain the main characteristics of long-term savings systems whose amount or annual equivalent cost is shown in the tables in Section C, including retirement and any other survival benefit, which are financed, either partially or totally, by the company, whether internally or externally endowed, indicating the type of plan, if it is a defined contribution or benefit, the contingencies it covers, the conditions for consolidating the economic rights in favor of the directors and their compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

N/A.

B.10. Explain, where appropriate, compensation or any other type of payment derived from the early termination, whether the termination at the will of the company or the director, or the termination of the contract, in the terms provided therein, accrued and / or received by the directors during the year ended.

N/A.

B.11. Indicate whether there have been significant changes in the contracts of those who exercise senior management functions as executive directors and, where appropriate, explain them. Also, explain the main conditions of the new contracts signed with executive directors during the year, unless they have already been explained in section A.1.

N/A.

B.12. Explain any additional remuneration accrued by directors in consideration of services rendered other than those inherent to their positions.

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.

B.13. 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.

N/A.

B.14. Explain the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the different salary components.

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 € 2.217,56

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.

B.15. 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.

N/A.

B.16. 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.

N/A.

C DETAILS OF INDIVIDUAL EARNINGS ACCRUED BY EACH OF THE DIRECTORS

Name	Type	Accrual period 2018
DOMINUM DESGA, S.A.	Proprietary	From 1 January to 31 December 2018.

CARLOS MANUEL JARQUE URIBE	Proprietary	From 1 January to 31 December 2018.
PABLO COLIO ABRIL	Executive	From 1 January to 31 December 2018.
SAMEDE INVERSIONES 2010, S.L.U	Proprietary	From 1 January to 31 December 2018.
DOMINUM DIRECCIÓN Y GESTIÓN, S.A.	Proprietary	From 1 January to 31 December 2018.
EAC INVERSIONES CORPORATIVAS, S.L.	Proprietary	From 1 January to 31 December 2018.
INMOBILIARIA AEG, S.A. DE C.V.	Proprietary	From 1 January to 31 December 2018.
JUAN RODRÍGUEZ TORRES	Proprietary	From 1 January to 31 December 2018.
ALEJANDRO ABOUMRAD GONZÁLEZ	Proprietary	From 1 January to 31 December 2018.
GERARDO KURI KAUFMANN	Executive	From 1 January to 31 December 2018.
ANTONIO GÓMEZ GARCÍA	Proprietary	From 1 January to 31 December 2018.
ALFONSO SALEM SLIM	Proprietary	From 1 January to 31 December 2018.
HENRI PROGLIO	Independent	From 1 January to 31 December 2018.
MANUEL GIL MADRIGAL	Independent	From 1 January to 31 December 2018.
ÁLVARO VÁZQUEZ DE LAPUERTA	Independent	From 1 January to 31 December 2018.

C.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)

Remuneration in cash	Salaries	Fixed remuneration	Allowances	ST variable remuneration	LT variable remuneration	Remuneration for membership of Board committees	Compensation	Other items	Total for 2018	Total for 2017
Dominum Desga, S.A. representada por Esther Alcocer Koplowitz			49					1	50	47
Carlos Manuel Jarque Uribe			22					1	23	1659
Pablo Colio Abril	525		37	165				3	730	139
Samede Inversiones 2010,, S.L. representada por Esther Koplowitz Romero de Juseu			22					1	23	23
Dominum Dirección y Gestión, S.L. representada por Carmen Alcocer Koplowitz			22					1	23	23
EAC Inversiones Corporativas, S.L. representada por Alicia Alcocer Koplowitz			37					1	38	34
Inmobiliaria AEG, S.A. de C.V. representada por D. Carlos Slim Helu			17					1	18	17
D. Juan Rodríguez Torres			63						63	50
Alejandro Aboumrad González			37					339	376	372
Gerardo Kuri Kaufmann			37					1	38	34
Antonio Gómez García			22					1	23	23
Alfonso Salem Slim			22					1	23	23
Henri Progllo			30					1	31	16
Manuel Gil Madrigal			48					1	49	48
Álvaro Vázquez de Lapuerta			48					1	49	48

Remarks

ii) Share-based pay systems

iii) LT savings system

iv) Details of other items.

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 2018	Total for 2017
EAC Inversiones Corporativas, S.L.			21						21	16
Gerardo Kuri Kaufmann			18					175	193	189
Inmobiliaria AEG, S.A. de C.V.			18						18	12
Juan Rodríguez Torres			29						29	22
Álvaro Vázquez de Lapuerta			29						29	22
Carlos Manuel Jarque Uribe			18						18	14

Remarks

ii) Share-based pay systems

iii) LT savings system

iv) Details of other items.

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).

	Remuneration accrued within the company					Remuneration accrued at group companies				
	Total remuneration in cash	Sum of shares granted	Sum of savings system	Sum of other items	Total 2018 within company	Total remuneration in cash	Sum of shares granted	Sum of savings system	Sum of other items	Total 2018 at group
Nombre/ Tipología										
Dominum Desga, S.A. representada por Esther Alcocer Koplowitz	50				50					
Carlos Manuel Jarque Uribe	23				23	18				18
Pablo Colio Abril	730				730					
Samede Inversiones 2010, S.L.U., representada por Esther Koplowitz Romero de Juseu	23				23					
Dominum Dirección y Gestión, S.L. representada por Carmen Alcocer Koplowitz	23				23					

EAC Inversiones Corporativas, S.L. representada por Alicia Alcocer Koplowitz	38				38	21				21
Inmobiliaria AEG, S.A. de C.V.	18				18	18				18
Juan Rodríguez Torres	63				63	29				29
Alejandro Aboumrad González	376				376					
Gerardo Kuri Kaufmann	38				38	193				193
Antonio Gómez García	23				23					
Alfonso Salem Slim	23				23					
Henri Proglío	31				31					
Manuel Gil Madrigal	49				49					
Álvaro Vázquez de Lapuerta	49				49	29				29
Total:	1.557				1.557	308				308

Remarks

D 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.

Yes ☐

No ☒

This annual report on remuneration was approved by the company's Board of Directors at a meeting held on:

26 February 2019.

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

Yes ☐

No ☒