

---

**IDENTIFICATION INFORMATION OF THE ISSUER**

---

End date of the reference year: [ 31/12/2019 ]

VAT No.: [ A-28037224 ]

Corporate Name:

[ **FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.** ]

Registered address:

[ BALMES, 36 BARCELONA ]

## **A. COMPANY REMUNERATION POLICY FOR THE CURRENT YEAR**

---

- A.1. Explain the current remuneration policy for directors applicable to the current business year. To the extent that is relevant, certain information may be included for reference in the remuneration policy approved by the general shareholders' meeting, provided that the addition is clear and specific.**

The specific determinations for the current business year must be described, both for the remuneration of the directors in relation to their status as such and for the performance of executive duties, 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.

In any case, the following aspects must be reported, as a minimum:

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

-In accordance with the provisions of article 38.3 of the Bylaws, the remuneration policy for FCC directors takes into account the duties and responsibilities exercised by each one within the Board itself and its Committees, and it corresponds to their dedication to the Company to promote the motivation and retention of the most qualified professionals.

In this regard, the directors' remuneration policy ensures that they receive a competitive and market-based remuneration, which is consistent with that paid by companies of a similar size and activity, being periodically reviewed by the Appointments and Remuneration Committee so that it may propose to the Board the modifications that, where appropriate, are appropriate.

- Meanwhile, the remuneration policy must respect the criteria set forth in art. 28.4 of the Regulations of the Board of Directors.

- The remuneration items are set forth in article 38 of the "Remuneration" Bylaws.

- The current remuneration policy was approved by the Ordinary General Meeting held on 28 June 2018, in accordance with the provisions of article 529 novodecies of the Corporate Enterprises Act, and will remain in force during the three years following its approval by the General Meeting.

The approved remuneration policy establishes that the remuneration received for the performance of the duties inherent to the status of Director comprises, in accordance with the provisions of the Company Bylaws, a fixed part derived, where appropriate, from the participation in the net profits of the Company and based on their attendance at the meetings of the Board of Directors and its Committees.

Consequently, the mixed compensation system will consist of two components (Note: FCC is among the Spanish listed companies that pay its board the least in accordance with the Spencer Stuart 2018 Index of Boards of Directors, 22nd edition):

A) Fixed remuneration, referenced to, where appropriate, net profit:

Consisting of a participation in the net profit, once the legal reserve has been covered, and a minimum dividend of four percent (4%) of the nominal value of the shares has been appointed to the partners.

B) Remuneration for effective attendance at meetings of the Board of Directors and its Committees:

The amount per session (in Euros) of the aforementioned remuneration for the current year will be as follows:

Board of Directors: 3,000

Executive Committee: 1,875

Audit and Control Committee: 1,850

Appointments and Remuneration Committee: 1,850

-The remuneration of non-executive directors does not include variable remuneration items linked to the value of FCC shares or any other instrument.

-The members of the Appointments and Remuneration Committee participated in the determination of the remuneration policy and the preparation of this report.

The information and advice of the internal services of the Company has been provided, without such advice being received from external consultants.

-According to article 38.4 of the Regulations of the Board of Directors of the Company, the Appointments and Remuneration Committee is responsible for proposing the remuneration policy of the Directors to the Board of Directors.

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

Chairman Mr Álvaro Vázquez de Lapuerta (Independent)

DOMINUM DESGA SA represented by Esther Alcocer Koplowitz (Proprietary)

Mr Juan Rodríguez Torres (Proprietary)

Mr Manuel Gil Madrigal (Independent)

Felipe Bernabé García Pérez - Non-Member Secretary

-Finally, the determination of the remuneration policy has considered the data regarding the remuneration paid in the market by companies of a similar size and activity, as well as the recommendations and indications contained in the Unified Code of Good Governance published by the National Securities Market Commission regarding the structure of directors' remuneration.

- **This has a relative importance insofar as the variable remuneration items with respect to the fixed (remuneration mix) and the criteria and objectives that have been taken into account in its determination, and to guarantee an adequate balance between the fixed and variable components of the remuneration. In particular, the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to adjust it to the long-term objectives, values and interests of the company must be noted, which will include, where appropriate, a reference to the measures planned to ensure that the remuneration policy addresses the long-term profits of the company, the measures taken in relation to the categories of personnel whose professional activities have a material impact on the company's risk profile and the measures provided to avoid conflicts of interest, if applicable.**

**It should also be noted that whether the company has established a period of accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already accrued and consolidated, or if a clause for the reduction of deferred remuneration or forcing the director to return the remuneration received has been established when such remuneration has been based on the basis of data whose inaccuracy has been subsequently proven, has been agreed.**

According to "The Remuneration Policy for directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (2018-2020)" which is approved and posted on the corporate website [www.fcc.es](http://www.fcc.es), currently within the remuneration of non-executive directors, there are no variable remuneration items linked to the value of the shares of FCC or any other instrument.

The CEO is the only executive director of the company who receives variable remuneration. This will be as follows:

- He may reach up to 50% of his fixed salary in the case of meeting the objectives that are set.
- This variable will be established according to the following criteria:
- Group Objectives: they will be in line with EBITDA and Operating Cash Flow (50% of the variable)
- Individual Objectives: linked to performance evaluation. (50% of the variable)

- The decision about the specific amount for the company's Board of Directors, following a report from the Appointments and Remuneration Committee

Article 38 of the Bylaws, in particular, sections 2 and 4, shows the relative importance of the variable remuneration items with respect to the fixed remuneration items and the criteria followed to determine the different components of the directors' remuneration package (remuneration mix).

The variable remuneration will be established, applied and maintained in line with the Company's commercial and risk management strategy, its risk profile, its objectives, its risk management practices, and the performance and interests in the short, medium and long term of Fomento de Construcciones y Contratas, S.A. as a whole, and will include measures aimed at avoiding conflicts of interest.

There is no variable remuneration for directors, except as indicated for the CEO.

-The accrual period is one year. The payment of the annual variable remuneration is made for the past year, so the amount accrued during one year by the CEO is paid in the following year. The CEO's variable remuneration for 2018 was paid in 2019 after preparing the accounts, when the variable Remuneration Plan was approved for the rest of the group of participants of the FCC Group.

The company has not established any deferral in the payment of amounts or delivery of accrued financial instruments.

Nor has any clause for reducing deferred remuneration or forcing the director to return remuneration received been agreed.

-The obligation to strictly observe the provisions of the code of conduct in terms of its policies of confidentiality, professional ethics and conflict of interests is established.

In accordance with article 29.1 of the Regulations of the Board, the directors will respond to the Company, to the shareholders and to the social creditors for the damage caused by acts or omissions contrary to the Law or the Bylaws or for those made in breach of the inherent duties under their charge in the event of intent or fault.

-With regard to the measures provided for to avoid conflicts of interest, as set forth in articles 22 and 23 of the Regulations of the FCC Board of Directors, the directors have a duty to abstain from assisting or intervening in deliberations that affect matters in which they may have a direct or indirect interest and from voting in the corresponding decisions. Likewise, the directors must timely inform the Board, through the Corporate Responsibility Department or any other department that may replace it, of any situation that could lead to a conflict of interest with the interests of the Company or those of the group of companies that comprise the FCC Group or its related companies.

- **Amount and nature of the fixed components that the directors, in their capacity as such, are expected to accrue during the year.**

The directors' remuneration system includes (a) the remuneration consisting of a participation in the net profits once the legal reserve has been covered, and if the partners have been appointed a minimum dividend of four percent (4%) of the value nominal shares; and (b) a remuneration for the directors attending the meetings of the Board and its Committees.

At the date of closing this report, the company has not made any decisions regarding the accrual of the remuneration of the directors consisting of a share in the net profits.

In any case, the directors will be remunerated for the performance of their positions by virtue of their attendance at the meetings of the Board and its internal Committees and for this purpose, as established in article 38 of the Bylaws, the General Meeting shall determine the amount corresponding to each year for this item, which will be distributed by the Board among its members taking into account their effective attendance at meetings.

From 21 March 2019, the date on which the amount of the remuneration for the effective attendance at the Board and Committee meetings was modified, new amounts have been applied, and are now € 3,000 per Board meeting, € 1,875 per Executive Committee meeting (the same amount as before), € 1,850 per Audit and Control Committee meeting and € 1,850 per Appointments and Remuneration Committee meeting.

- **Amount and nature of the fixed components that will be accrued during the year for the performance of senior management duties of executive directors.**

-Mr Pablo Colio Abril:

The estimate of the fixed remuneration for the performance of CEO duties: 525,000 euros.

Estimate of his remuneration for effective attendance as a member of the Board: 30,000 euros.

Estimate of his remuneration for effective attendance as a member of the Executive Committee: 22,500 euros.

-Mr Gerardo Kuri Kaufmann:

The estimate of the fixed remuneration for the performance of senior management duties: 0 €

Estimate of his remuneration for effective attendance as a member of the Board: 30,000 euros

Estimate of his remuneration for effective attendance as a member of the Executive Committee: 22,500 euros.

- **Amount and nature of any component of remuneration in kind that will be accrued during the year including, but not limited to, insurance premiums paid in favour of the director.**

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

-Travel insurance:

Mr Pablo Colio Abril is the beneficiary of an accident insurance for trips taken by aeroplane, train or boat whilst performing his professional responsibilities within the company, which the Company has established for all its employees. Coverage amount: 601,012.10 euros per person, with a maximum of 6,000,000.00 euros per accident. The amount of the premium is fully paid by the company.

-Insurance for accidental death or total permanent disability:

Mr Pablo Colio Abril is the beneficiary of an insurance for accidental death or total permanent disability that the Company has established for all its employees and which is intended to cover an accident resulting in death or total permanent disability, within or outside working hours, under the terms and conditions of the current policy. The coverage of both contingencies will cover the amount of one year of their respective fixed salaries. The amount of the premium is fully paid by the company.

-Medical Insurance:

The Company assumes 50% of the payment of a health insurance in favour of Mr Pablo Colio Abril and his family. The amount to be paid for the company's health insurance for 2020 amounts to € 2,547.82.

-Miscellaneous:

An accident policy has been taken out for all Directors, both in the exercise of their duties and for their personal life, which covers:

- a) Death
- b) Total permanent disability
- c) Absolute permanent disability
- d) Major disability

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

- **Amount and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, with the latter including social, environmental and climate change, selected to determine the variable remuneration in the current year, explanation of the extent to which such parameters are related to the performance of both the director and the company and its risk profile, and the methodology, timeframe and techniques planned to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.**

**Indicate the range in monetary terms of the different variable components according to the degree of compliance with the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.**

The Company CEO is the only Board member who receives variable remuneration.

The current remuneration policy approved by the Ordinary General Meeting on 28 June 2018, effective during the three years following its approval, maintains the following variable remuneration structure:

Mr Pablo Colio Abril:

As CEO, he will participate in the variable remuneration system and can reach up to 50% of his fixed salary if he meets the objectives set.

This will be directly conditioned to the fulfilment of the social objectives, whose valuation will be based on the result of the EBITDA and the operating cash flow of the corresponding business year, following the guidelines implemented in the investee companies by FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., to determine the variable remuneration of management personnel.

Notwithstanding the foregoing, even if the results of the companies measured according to the aforementioned parameters did not reach the objectives set by the company in a specific year, the Board of Directors may discretionally agree to pay the Director a variable remuneration higher than the one that would correspond to him/her if strictly applying the requirements. No specific requirements, conditions or mode of operation of this discretion of the board of directors have been established. Currently, the maximum monetary amount that would correspond to the CEO as a "discretionary" variable remuneration could amount to 262,500 euros. The calculation of the variable for each business year will be based on the actual fixed salary received during that year (from January to December).

- **Main features of long-term savings systems. Among other information, the contingencies covered by the system, whether it is a defined contribution or benefit, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions of consolidation of the economic rights in favour of the directors and their compatibility with any type of payment or compensation for termination or early termination, or derived from the termination of the contractual relationship, will be indicated, under the terms provided, between the company and the director.**

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

There aren't any.

- **Any type of payment or compensation for termination or early termination or arising from the termination of the contractual relationship under the terms provided between the company and the director, whether the termination is at the will of the company or the director, as well as any type of agreements, such as exclusivity, non post-contractual concurrence and permanence or loyalty, that entitle the director to any kind of payment.**

Mr Pablo Colio Abril:

And if the contractual relationship is terminated at the will of the CEO for any of the following causes:

- Substantial changes in working conditions that are notoriously detrimental to his professional training, that are detrimental to his dignity, or that are decided with serious transgression of good faith, by the company.

- Failure to pay for three consecutive months or six alternate months, or continued delay in the payment of the remuneration agreed under the contract.
- Succession of a company or significant change in ownership of the same, which has the effect of a renewal of its governing bodies or the content of its main activity, provided that the termination occurs within three months of the occurrence of such changes.
- Any other serious breach of the contractual obligations by the Company, with the exception of force majeure budgets, in which the payment of compensation shall not be applicable.

As in the case of free and unilateral termination from the company, he will have the right to receive compensation resulting from the sum of the following two items:

- A. The amount resulting from liquidating the employment relationship that the Executive Director previously had with any company of the FCC Group calculated from the beginning of the contractual employment relationship (12 September 2017) (and in accordance with the applicable regulations on that date).
- B. The amount resulting from multiplying 7 days of salary by the number of years elapsed from the date of commencement of the contractual relationship (12 September 2017) until the time of termination thereof.

The early termination of the previous relationship, unless there is justifiable cause of dismissal, will entail compensation under the terms established by the Workers' Statute in relation to unfair dismissal.

- **Indicate the conditions that must be respected by the contracts of those who perform senior management duties as executive directors. Among others, the duration, limits on compensation amounts, permanence clauses, notice periods, as well as payment in lieu of the aforementioned notice period, and any other clauses relating to contracting premiums, will be reported, as well as compensation or golden parachute clauses for early termination or termination of the contractual relationship between the company and the executive director. Include, among others, the agreements of non-concurrence, exclusivity, permanence or loyalty and non-post-contractual competition, unless they have been explained in the previous section.**

-Mr Pablo Colio Abril:

Duration: The duration of the contract is indefinite.

Exclusivity and non-competition: The dedication must be exclusive and as such he may not enter into service contracts with other companies or entities.

There is a non-competition agreement for a period of one year after the termination of the contract. Certain prohibitions of competition and attracting clients, employees and suppliers are envisaged that are enforceable for one year after its termination.

Notice: Written notice must be given at least 3 months in advance of the contract being terminated at the will of the CEO or if the termination is due to the free and unilateral termination of the company.

Code of conduct: The obligation to strictly observe the provisions of the code of conduct in terms of its policies of confidentiality, professional ethics and conflict of interests is established.

Conflicts of interest: Articles 22 and 23 of the Regulations of the FCC Board of Directors set forth that directors have a duty to refrain from attending and intervening in deliberations that affect matters in which they may have a direct or indirect interest and from voting in the corresponding decisions. Likewise, the directors must timely inform the Board, through the Corporate Responsibility Department or any other department that may replace it, of any situation that could lead to a conflict of interest with the interests of the Company or those of the group of companies that comprise the FCC Group or its related companies.

Responsibility: In accordance with article 29.1 of the Regulations of the Board, the directors will respond to the Company, to the shareholders and to the social creditors for the damage caused by acts or omissions contrary to the Law or the Bylaws or for those made in breach of the inherent duties under their charge in the event of intent or fault.

-Mr Gerardo Kuri Kaufmann:

He is executive director as a result of being the CEO of CEMENTOS PORTLAND VALDERRIVAS, S.A., a company controlled by FCC. He does not perform senior management functions at FCC, so does not receive fixed or variable remuneration. His remuneration is from a contract for the provision of services between CPV and the director for an annual amount not exceeding 175,000 euros (gross), not as salary.

- **The nature and estimated amount of any other supplementary remuneration that will be accrued by the directors in the current year in consideration for services rendered other than those inherent in their position.**

The Board Meeting held on 30 July 2019 approved the change of the contract for the provision of services between FCC and Mr Alejandro Aboumrad, dated 27 February 2015 for a new one, and for the provision of consulting and advisory services, with the company associated with the director Vilafulder Corporate Group, SLU (Vilafulder), for a total annual amount of 338,000 euros.

- **Other remuneration items such as those derived, as the case may be, from the concession by the company to the director of advances, credits and guarantees and other remuneration.**

There are no advances or credits granted to directors by the Company.

- **The nature and estimated amount of any other supplementary remuneration provided for and not included in the preceding sections, whether paid by the company or another group company, to be accrued by the directors in the current year.**

There aren't any.

**A.2. Explain any relevant changes in the remuneration policy applicable in the current business 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 business year of the remuneration policy in force with respect to those applied in the previous year.**
- **Proposals that the board of directors would have agreed to present to the general shareholders's meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.**

-The Ordinary General Meeting of 28 June 2018, approved in accordance with the provisions of article 529 novodecies of the Corporate Enterprises Act, the Remuneration Policy for Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. The policy will remain in force during the three years following its approval by the General Meeting.

- In 2019, the amount of the remuneration for the effective attendance at the meetings of the Board and Committees was changed to € 3,000 per Board meeting, € 1,875 per Executive Committee meeting (the same as before), € 1,850 per Audit and Control Committee meeting and € 1,850 per Appointments and Remuneration Committee meeting. These increases are applied by the Board as of 21 March 2019.

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

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

<https://www.fcc.es/es/politicas>

**A.4. Taking into account the data provided in section B.4, explain how the vote of the shareholders' at the general meeting was considered, to which the annual remuneration report for the previous year was submitted to voting, with an advisory capacity.**

Given the votes in favour obtained at the last General Meeting on 8 May 2019, the Remuneration Policy will be maintained without changes being made, valuing the support and trust granted in said vote for the majority of the capital.

---

**B. GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE CLOSED BUSINESS YEAR**

---

**B.1. Explain the process that has been followed to implement the remuneration policy and determine the individual remuneration reflected in section C of this report. This information will include the role carried out 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 closed year.**

In accordance with the provisions of the Annual Report on Director Remuneration that was submitted to an advisory vote and approved by the Ordinary General Shareholders's Meeting of 8 May 2019, and based on the provisions of article 38 of the Corporate Bylaws, the directors' remuneration system includes (a) the remuneration consisting of a participation in the net profit once the legal reserve has been covered, and whether the partners have recognized a minimum dividend of four percent (4%) of the nominal value of the shares; and (b) a remuneration for the effective attendance of the directors at the meetings of the Board and its Committees.

The Profit and Loss Account showed a positive result that was distributed to provide the Legal Reserve and the Voluntary Reserve. A dividend was distributed in the scrip dividend mode.

In 2019, the directors' remuneration, consisting of a share in net profit, was not paid. As a result, the directors were only remunerated for the performance of their positions by virtue of their attendance at the meetings of the Board and its internal Committees and for this purpose, as established in article 38 of the Bylaws, the General Meeting determined the amount corresponding to each year for this item, which will be distributed by the Board among its members taking into account their effective attendance at meetings.

The Directors were paid for their attendance at the meetings of the Board and its internal committees. Remuneration was accrued for effective attendance, personally or by remote means of communication (such as videoconferencing or conference calls), at meetings held by the Board or its Committees.

The amount of said remuneration per session up until 21 March 2019 was as follows:

Board of Directors: 2,500  
Executive Committee: 1,875  
Audit and Control Committee: 1,500  
Appointments and Remuneration Committee: 1,500

As of 21 March 2019, the date on which the amount of the remuneration for the effective attendance at the meetings of the Board and Committees was changed, the following amounts were applied per session:

Board of Directors: 3,000

Executive Committee: 1,875

Audit and Control Committee: 1,850

Appointments and Remuneration Committee: 1,850

Consequently, the directors were only paid for the performance of their positions virtue of their attendance at the meetings of the Board and its internal Committees.

Likewise, the CEO has been remunerated for the different remuneration items provided for in his contract.

The remuneration of non-executive Directors does not include variable remuneration items linked to the value of FCC shares or any other instrument.

Meanwhile, some FCC directors accrued remuneration as a result of being on 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 and the preparation of this report.

The information and advice of the internal services of the Company has been provided, without such advice being received from external consultants.

According to article 38.4 of the Regulations of the Company's Board of Directors, the Appointments and Remuneration Committee is responsible for (but limited to) the following:

"f) Proposing to the Board of Directors the remuneration policy of the Directors and of the general directors or of those who carry out their senior management duties under the direct authority of the Board, the Executive Committee or the Chief Executive Officer, as well as the individual remuneration and the remaining contractual conditions of executive Directors, ensuring their observance. Likewise, inform and make proposals about the incentive plans of a multi-year nature that affect the Company's senior executives and in particular, those that may be established in relation to the value of the shares. Likewise, to propose to the Board of Directors the distribution among the Directors of the remuneration derived from their status as Directors agreed by the General Shareholders Meeting, in accordance with the provisions of the Company Bylaws and in this Regulation."

**B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adjusting it to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to ensure that the accrued remuneration has taken into account the long-term results of the company and to ensure that an adequate balance between the fixed and variable components of the remuneration has been achieved, what measures have been taken in relation to those categories of personnel whose professional activities have a material impact on the company's risk profile, and what measures have been taken to avoid conflicts of interest, if applicable.**

In accordance with the provisions of article 28.2 of the Regulations of the Board of Directors, among the criteria that the Company's remuneration policy must respect, it is established that the remuneration must maintain a reasonable proportion with the importance of the Company, with its economic situation at all times and the market standards of comparable companies, and that the established remuneration system should be focused on promoting the long-term profitability and sustainability of the Company, and incorporate the necessary precautions to avoid excessive risk taking and reward of unfavourable results.

With regard to the measures to avoid conflicts of interest, as set forth in articles 22 and 23 of the Regulations of the FCC Board of Directors, the directors have a duty to abstain from assisting or intervening in deliberations that affect matters in which they may have a direct or indirect interest and from voting in the corresponding decisions. Likewise, the directors

must timely inform the Board, through the Corporate Responsibility Department or any other department that may replace it, of any situation that could lead to a conflict of interest with the interests of the Company or those of the group of companies that comprise the FCC Group or its related companies.

There is no other additional information. The "Directors' Remuneration Policy for FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (2018-2020)" is approved by the Ordinary General Meeting of 28 June 2018, and posted on the [www.fcc.es](http://www.fcc.es) corporate website, and contains all the existing information in this regard.

**B.3. Explain how the remuneration accrued in the year complies with the provisions of the current remuneration policy.**

**Also report on the relationship between the remuneration obtained by the directors and the company's results or other performance measures, in the short and long term explaining, where appropriate, how the variations**

**in the company's performance have been able to influence the variation in the directors' remuneration, including accrued remuneration whose payment would have been deferred, and how they 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 Bylaws, the remuneration of the Company directors consists of a share in the net profits for the year included in the Group's consolidated financial statement, not being able in any case to exceed 2% of said profits and once the legal reserve has been covered, and if the partners have recognised a minimum dividend of 4% of the nominal value of the shares. In any case, it will be the responsibility of the General Meeting to set the percentage that corresponds to each business year.

In 2019, the directors' remuneration, consisting of a share in net profit, was not paid.

Notwithstanding the foregoing, the directors were paid for their attendance at the meetings of the Board and its internal committees.

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

Some FCC directors have earned remuneration from being on the Board of other group companies (specifically, Cementos Portland Valderrivas, S.A.)

**B.4. Report on the result of the advisory vote of the general meeting for the annual report on remuneration of the previous year, indicating the number of negative votes that have been cast (if applicable).**

	Number	% of the total
Votes cast	344,074,473	90.82

	Number	% of those issued
Negative votes	28,512,731	8.28
Votes in favour	315,559,870	91.71
Abstentions	1,872	0.00

Remarks

**B.5. Explain how the fixed components accrued during the year by the directors in their capacity as such were determined, and how they have varied with respect to the previous year.**

-The directors were paid for their attendance at the meetings of the Board and its internal committees. Consequently, the directors were only paid for the performance of their positions virtue of their attendance at the meetings of the Board and its internal Committees.

-There have been variations in the amounts for their attendance compared to the previous year. See explanation section B.1.

**B.6. Explain how the salaries accrued during the business year by each of the executive directors for the performance of management duties have been determined, and how they have varied with respect to the previous year.**

The Board of Directors agreed to maintain the following remuneration structure for directors in 2019 for the performance of their executive duties:

-Mr Pablo Colio Abril:

The fixed remuneration for his performance of CEO duties: 525,000 euros.

-Mr Gerardo Kuri Kaufmann:

The fixed remuneration for the performance of senior management functions: 0 euros (Note: Mr Gerardo Kuri Kaufmann has been qualified as Executive Director for being the CEO of CPV, a company controlled by FCC. He does not perform senior management functions at FCC, so does not receive fixed or variable remuneration.)

These remunerations have not changed compared to the previous year.

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

**In particular:**

- **Identify each of the remuneration plans that have determined the different variable remuneration accrued by each of the directors during the year, including information on the scope, date of approval, date of implementation, accrual periods and validity, criteria used for the performance evaluation and how this has had an effect on determining the accrued variable amount, as well as the measurement criteria that have been used and the period required to be able to adequately measure all the stipulated conditions and criteria.**

**In the case of equity option plans or other financial instruments, the general features of each plan will include information on the conditions to acquire unconditional ownership (consolidation), and to exercise these options or financial instruments, including the price and term of exercise.**

- **Each 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 incorporate variable remuneration.**
- **Where appropriate, the established accrual or deferred payment periods and/or retention periods/non-disposal of shares or other financial instruments, if any, will be reported.**

**Explain the short-term variable components of the remuneration systems:**

The Company CEO is the only Board member who receives variable remuneration.

There are no stock option plans or any other financial instruments.

The payment of the annual variable remuneration is made for the past year, so the amount accrued during one year by the CEO is paid in the following year. The CEO's variable remuneration for 2018 was paid in 2019 after preparing the accounts, when the variable Remuneration Plan was approved for the rest of the group of participants of the FCC Group.

The company has not established any deferral in the payment of amounts or delivery of accrued financial instruments.

Nor has any clause for reducing deferred remuneration or forcing the director to return remuneration received been agreed.

**Explain the long-term variable components of the remuneration systems:**

There aren't any.

**B.8. Indicate whether the return of certain variable components has been reduced or claimed when the payment had been consolidated and deferred in the first case or, in the second case, consolidated and paid, based on data whose inaccuracy was later manifestly proven.**

**Describe the amounts reduced or returned by the application of the clawback clauses, why they have been executed and the years to which they correspond.**

There aren't any.

**B.9. Explain the main features of long-term savings systems whose equivalent annual amount or cost is shown in the tables in Section C, including retirement and any other survivor benefits, which are partially or totally financed by the company, whether internally or externally, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies it covers, the conditions for the consolidation of economic rights in favour 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.**

There aren't any.

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

There aren't any.

**B.11. Indicate whether there have been any significant changes in the contracts of persons who perform senior management duties as executive directors and, if applicable, 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.**

There aren't any.

**B.12. Explain any supplementary remuneration accrued by the directors as consideration for services rendered other than those inherent to their position.**

The Board Meeting held on 30 July 2019 approved the change of the contract for the provision of services between FCC and Mr Alejandro Aboumrad, dated 27 February 2015 for a new one, and for the provision of consulting and advisory services, with the company associated with the director Vilafulder Corporate Group, SLU (Vilafulder), for a total annual amount of 338,000 euros.

With the exception of this case, there is no additional remuneration for services rendered to the Company.

**B.13. Explain any remuneration derived from the granting of advances, credits and guarantees, indicating the interest rate, its essential features and the amounts finally returned, as well as the obligations assumed on their behalf as collateral.**

There aren't any.

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

The Company established the following types of remuneration in kind for the Executive Director Mr Pablo Colio Abril:

-Travel insurance:

Mr Pablo Colio Abril is the beneficiary of an accident insurance for trips taken by aeroplane, train or boat whilst performing his professional responsibilities within the company, which the Company has established for all its employees. Coverage amount: 601,012.10 euros per person, with a maximum of 6,000,000 euros per accident. The amount of the premium is fully paid by the company.

-Insurance for accidental death or total permanent disability:

Mr Pablo Colio Abril is the beneficiary of an insurance for accidental death or total permanent disability that the Company has established for all its employees and which is intended to cover an accident resulting in death or total permanent disability, within or outside working hours, under the terms and conditions of the current policy. The coverage of both contingencies will cover the amount of one year of their respective fixed salaries. The amount of the premium is fully paid by the company.

-Medical Insurance:

The Company assumes 50% of the payment of a health insurance in favour of Mr Pablo Colio Abril and his family. The amount to be paid for the company's health insurance for 2019 amounts to € 2,359.13.

-Miscellaneous:

An accident policy has been taken out for all Directors, both in the exercise of their duties and for their personal life, which covers:

Death

Total permanent disability

Absolute permanent disability Severe disablement

The duration of this policy is one year, renewable annually and with a premium of 7,385.17 euros. This amount is broken down in table C.1 a i) "Other items". Also in section B.14 "Miscellaneous". This amount has been prorated among all the directors, with a result of 492.34 euros. Since the amounts in the tables are entered in thousands and the programme does not allow decimals to be entered, they have been rounded up and "1" has been entered instead of "0.5" in the "Other items" column. The 0.5 will be deducted from the rest of the remuneration in order to adjust the final amount to reality.

**B.15. Explain the remuneration accrued by the director by virtue of the payments made by the listed company to a third entity in which the director provides services, when said payments are intended to remunerate the latter's services in the company.**

There aren't any.

**B.16. Explain any other remuneration item other than the above, regardless of its nature or the group company that pays it, especially when it is considered a related operation or its issuance distorts the true image of the total remuneration accrued by the director.**

There aren't any.

**C. DETAILS OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS**

Name	Types	2019 accrual period
DOMINUM DESGA, S.A.	Proprietary chair	From 01/01/2019 to 31/12/2019
Mr CARLOS MANUEL JARQUE URIBE	Proprietary Director	From 01/01/2019 to 09/05/2019
Mr PABLO COLIO ABRIL	Executive Director	From 01/01/2019 to 31/12/2019
SAMEDE INVERSIONES 2010, S.L.U	Proprietary Director	From 01/01/2019 to 31/12/2019
DOMINUM DIRECCIÓN Y GESTIÓN, S.A	Proprietary Director	From 01/01/2019 to 31/12/2019
EAC INVERSIONES CORPORATIVAS, S.L.	Proprietary Director	From 01/01/2019 to 31/12/2019
INMOBILIARIA AEG, S.A. DE C.V.	Proprietary Director	From 01/01/2019 to 31/12/2019
Mr JUAN RODRÍGUEZ TORRES	Proprietary Director	From 01/01/2019 to 31/12/2019
Mr ALEJANDRO ABOUMRAD GONZÁLEZ	Proprietary Director	From 01/01/2019 to 31/12/2019
Mr GERARDO KURI KAUFMANN	Executive Director	From 01/01/2019 to 31/12/2019
Mr ANTONIO GÓMEZ GARCÍA	Proprietary Director	From 01/01/2019 to 31/12/2019
Mr ALFONSO SALEM SLIM	Proprietary Director	From 01/01/2019 to 31/12/2019
Mr HENRI PROGLIO	Independent Director	From 01/01/2019 to 31/12/2019
Mr MANUEL GIL MADRIGAL	Independent Director	From 01/01/2019 to 31/12/2019
Mr ÁLVARO VÁZQUEZ DE LAPUERTA	Independent Director	From 01/01/2019 to 31/12/2019

C.1. Fill in the following tables regarding the individualised remuneration of each of the directors (including the remuneration for the exercise of executive duties) accrued during the year.

a) Remuneration of the company referred to in this report:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Plus expenses	Remuneration for belonging to the board committees	Salary	Short term variable remuneration	Variable long-term remuneration	Indemnity	Other items	Total 2019	Total 2018
DOMINUM DESGA, S.A.		47						1	48	50
Mr CARLOS MANUEL JARQUE URIBE		8						1	9	23
Mr PABLO COLIO ABRIL		37		525	186			3	751	730
SAMEDE INVERSIONES 2010, S.L.U		23						1	24	23
DOMINUM DIRECCIÓN Y GESTIÓN, S.A		23						1	24	23
EAC INVERSIONES CORPORATIVAS, S.L.		36						1	37	38
INMOBILIARIA AEG, S.A. DE C.V.		14						1	15	18
Mr JUAN RODRÍGUEZ TORRES		63						1	64	63
Mr ALEJANDRO ABOUMRAD GONZÁLEZ		36						339	375	376
Mr GERARDO KURI KAUFMANN		36						1	37	38
Mr ANTONIO GÓMEZ GARCÍA		23						1	24	23
Mr ALFONSO SALEM SLIM		23						1	24	23
Mr HENRI PROGLIO		31						1	32	31
Mr MANUEL GIL MADRIGAL		50						1	51	49
Mr ÁLVARO VÁZQUEZ DE LAPUERTA		50						1	51	49

Remarks

ii) **Table of movements of the remuneration systems based on shares and gross profit of the actions or consolidated financial instruments.**

Name	Name of the Plan	Financial instruments at the beginning of 2019		Financial instruments granted in 2019		Financial instruments consolidated during the year				Instruments expired and not exercised	Financial instruments at the end of 2019	
		No. of instruments	No. equivalent shares	No. of instruments	No. equivalent shares	No. of instruments	No. equivalent/consolidated shares	Price of the consolidated shares	Gross profit of the consolidated shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. equivalent shares
No data												

Remarks

iii) **Long-term saving systems.**

Name	Remuneration for consolidation of rights to savings systems
No data	

Name	Company's contribution to the year (thousand €)				Amount of the accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights	
	2019	2018	2019	2018	2019	2018	2019	2018
No data								

Remarks

iv) **Details of other items**

Name	Item	Remuneration amount
No data		

Remarks

b) **Remuneration for company directors for belonging to boards of other group companies:**

i) **Remuneration accrued in cash (in thousands of €)**

Name	Fixed remuneration	Plus expenses	Remuneration for belonging to the board committees	Salary	Short term variable remuneration	Variable long-term remuneration	Indemnity	Other items	Total 2019	Total 2018
DOMINUM DESGA, S.A.										
Mr CARLOS MANUEL JARQUE URIBE		6							6	18
Mr PABLO COLIO ABRIL										
SAMEDE INVERSIONES 2010, S.L.U										
DOMINUM DIRECCIÓN Y GESTIÓN, S.A										
EAC INVERSIONES CORPORATIVAS, S.L.		16							16	21
INMOBILIARIA AEG, S.A. DE C.V.		14							14	18
Mr JUAN RODRÍGUEZ TORRES		21							21	29
Mr ALEJANDRO ABOUMRAD GONZÁLEZ										
Mr GERARDO KURI KAUFMANN		14						175	189	193
Mr ANTONIO GÓMEZ GARCÍA										
Mr ALFONSO SALEM SLIM										
Mr HENRI PROGLIO										
Mr MANUEL GIL MADRIGAL										
Mr ÁLVARO VÁZQUEZ DE LAPUERTA		21							21	29

Remarks

ii) **Table of movements of the remuneration systems based on shares and gross profit of the actions or consolidated financial instruments.**

Name	Name of the Plan	Financial instruments at the beginning of 2019		Financial instruments granted in 2019		Financial instruments consolidated during the year				Instruments expired and not exercised	Financial instruments at the end of 2019	
		No. of instruments	No. equivalent shares	No. of instruments	No. equivalent shares	No. of instruments	No. equivalent/consolidated shares	Price of the consolidated shares	Gross profit of the consolidated shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. equivalent shares
No data												

Remarks

iii) **Long-term saving systems.**

Name	Remuneration for consolidation of rights to savings systems
No data	

Name	Company's contribution to the year (thousand €)				Amount of the accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights	
	2019	2018	2019	2018	2019	2018	2019	2018
No data								

Remarks

iv) **Details of other items**

Name	Item	Remuneration amount
No data		

Remarks

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

The amounts corresponding to all the remuneration items included in this report that have been accrued by the director, in thousands of euros, must be included in the summary.

Name	Remuneration accrued in the Company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit of the consolidated shares or financial instruments	Remuneration from savings systems	Remuneration from other items	Company total 2019	Total cash remuneration	Gross profit of the consolidated shares or financial instruments	Remuneration from savings systems	Remuneration from other items	Group total 2019
DOMINUM DESGA, S.A.	48				48					
Mr CARLOS MANUEL JARQUE URIBE	9				9	6				6
Mr PABLO COLIO ABRIL	751				751					
SAMEDE INVERSIONES 2010, S.L.U	24				24					
DOMINUM DIRECCIÓN Y GESTIÓN, S.A	24				24					
EAC INVERSIONES CORPORATIVAS, S.L.	37				37	16				16
INMOBILIARIA AEG, S.A. DE C.V.	15				15	14				14
Mr JUAN RODRÍGUEZ TORRES	64				64	21				21
Mr ALEJANDRO ABOUMRAD GONZÁLEZ	375				375					
Mr GERARDO KURI KAUFMANN	37				37	189				189
Mr ANTONIO GÓMEZ GARCÍA	24				24					
Mr ALFONSO SALEM SLIM	24				24					

Mr HENRI PROGLIO	32				32					
Mr MANUEL GIL MADRIGAL	51				51					

Name	Remuneration accrued in the Company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit of the consolidated shares or financial instruments	Remuneration from savings systems	Remuneration from other items	Company total 2019	Total cash remuneration	Gross profit of the consolidated shares or financial instruments	Remuneration from savings systems	Remuneration from other items	Group total 2019
Mr ÁLVARO VÁZQUEZ DE LAPUERTA	51				51	21				21
<b>TOTAL</b>	<b>1,566</b>				<b>1,566</b>	<b>267</b>				<b>267</b>

Remarks

**D. OTHER INFORMATION OF INTEREST**

---

**If there are any relevant aspects of director remuneration that have not been included in the other sections of this report, but which are necessary to include in order to gather more complete and detailed information on the remuneration structure and practices in the company in relation to its directors, briefly describe them.**

[ There aren't any ]

**This annual remuneration report was approved by the company's board of directors at its meeting dated:**

[ 27/02/2020 ]

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

[ ] Yes

[  ] No