



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS

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### ISSUER IDENTIFICATION DETAILS

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End date of reference financial year: [ 31/12/2018 ]

TAX ID (CIF): [ A08001851 ]

Company Name:

[ ACCIONA, S.A. ]

Registered Office:

[ AVDA. EUROPA, 18. PARQUE EMP. "LA MORALEJA" (ALCOBENDAS) MADRID ]

**A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR**

**A.1.** Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

At any event, the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

The directors' remuneration policy for 2018, 2019 and 2020 was approved as a separate item on the agenda by the General Shareholders' Meeting of 18 May 2017. The policy in force during the current financial year is in line with that approved by the General Meeting. Remuneration policy applicable to Directors in their capacity as such. In accordance with Article 31.2 of ACCIONA's Company Bylaws, the remuneration of directors will consist of a fixed annual allocation, which will be established in respect of their membership on the Board of Directors and the Commissions to which they belong. The amount of remuneration that the Company may pay its Directors collectively for membership on the Board of Directors and the Commissions will be that determined for this purpose by the General Shareholders' Meeting, and will remain in force until this body resolves that it be changed, although the Board of Directors may reduce this amount in the years it deems appropriate. The determination of the exact amount to be paid within this limit and its distribution among the different Directors corresponds to the Board of Directors, taking into consideration the functions and responsibilities attributed to each Director, membership on Board Commissions and other objective circumstances that it considers relevant.

In accordance with Article 31.6 of the Company Bylaws, Acciona has taken out civil liability insurance for Administrators and Directors.

Executive directors do not receive remuneration for membership on the Board of Directors.

In accordance with Article 31.2 of ACCIONA's Company Bylaws, the maximum amount of annual remuneration to be paid to all the directors in their capacity as such is 1,700,000 euros.

Remuneration policy applicable to directors for the performance of executive functions:

Article 31.3 of the Company Bylaws provides that the remuneration derived from membership on the Board of Directors will be compatible with any other remuneration (fixed salaries, variable remuneration based on the achievement of business or corporate objectives and/or personal performance, severance payments to directors for reasons other than breach of their duties, pension systems, deferred remuneration items) which, at the proposal of the Appointments and Remuneration Commission and by resolution of the Board of Directors, may correspond to directors for performing other functions in the Company, whether they are executive senior management functions or of another nature, other than those of supervision and joint decision-making that they perform as mere members of the Board. Article 31.4 of the Company's Company Bylaws establishes that subject to a resolution of the General Shareholders' Meeting with the necessary legal scope, executive directors may also be compensated by means of shares or stock option rights or any other compensation system linked to the value of the stock.

The current remuneration policy provides for executive directors to receive remuneration consisting of the following elements: fixed remuneration, annual variable remuneration, long-term variable remuneration in shares, rights in rem or any other system linked to the value of the shares, savings plans and remuneration in kind.

Procedures and governing bodies involved in determining and approving the remuneration policy:

The Board of Directors has the reserved power to make decisions regarding the remuneration of directors and, in the case of executive directors, the additional remuneration for their executive functions and other conditions that their contracts must include within the framework of the Company Bylaws and in accordance with the directors' remuneration policy approved by the General Shareholders' Meeting.

The Appointments and Remuneration Commission will be responsible, among other things, for evaluating the system and the amount of the annual remuneration of directors and senior management, proposing to the Board of Directors the remuneration policy for directors and senior management, the individual remuneration of executive directors and the other conditions of their contracts, ensuring the transparency of the remuneration and the observance of the remuneration policy established by Acciona.

At the date of preparation of this report and from 30 May 2018, the composition of the Commission is as follows:

- Mr Juan Carlos Garay Ibargaray (Chairman. Independent Director).
- Mr Javier Sendagorta Gómez del Campillo (Member. Independent Director).

- Mr Jerónimo Marcos Gerard Rivero (Member. Independent Director).
- Mr Jorge Vega-Penichet López, Non-Member Secretary).

In accordance with the schedule envisaged for fiscal year 2019, the Appointments and Remuneration Commission is expected to hold at least 4 meetings during the year.

The Appointments and Remuneration Commission analyzes market remuneration practices in companies of similar size and activity in order to draw up the remuneration policy.

In the decision-making processes with regard to remuneration, the Appointments and Remuneration Commission and the Board of Directors are informed and advised by the Company's specialized internal services, which in turn rely on the support of specialized external advisors. Specifically, in regards to the Remuneration Policy for 2018-2020 which was approved by the General Shareholder's meeting held on 18 May 2017, the company had been advised by Uría & Menéndez and Ernst & Young.

- Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflict of interest, as the case may be.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate has been agreed.

#### Remuneration mix of Executive Directors:

The remuneration mix for executive directors, comprising the items indicated in section A.1 above, gives significant weight to variable remuneration, which in 2018 accounted for approximately 69% of the total remuneration.

#### Actions taken to reduce risks:

The remuneration system established for Directors is aimed at promoting the long-term profitability and sustainability of the Company and incorporates the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavorable results.

The following risk control measures are implicit in the design of the directors' remuneration system:

The Directors' remuneration for membership on the Board and its Commissions consists of a specific fixed annual allocation.

The establishment of the variable remuneration for Executive Directors takes into account quantitative and qualitative objectives that contribute to the implementation of a business model that promotes balanced and sustainable growth and fosters social cohesion.

The annual variable remuneration is analyzed each year by the Appointments and Remuneration Commission and is submitted for final approval to the Board of Directors. The variable components of the remuneration have sufficient flexibility to allow their modulation to the point where it is possible to eliminate them entirely.

With regard to long-term variable remuneration, the 2014 Plan for the delivery of shares and "performance shares" pursues the objective of aligning remuneration with the Company's long-term objectives and interests. The Plan is part of a multi-year framework to ensure that the evaluation process is based on long-term results and that it takes into account the underlying economic cycle of the Company and its Group.

The criteria and objectives taken into account in determining annual and long-term variable remuneration in shares are specified in the course of this report.

In addition, Acciona's directors' remuneration policy introduces deferral, malus and clawback clauses (return) on long-term variable remuneration and the clawback of short-term variable remuneration for Executive Directors, aligning itself in this way with the best practices in corporate governance and incorporating the technical safeguards required to link variable remuneration to the Company's long-term sustainability.

In relation to the provisions of the preceding paragraph, within three (3) years following the date on which payments have been made for which repayment is claimed, Acciona may claim from the Directors: (i) the refund of the amounts paid when they have been calculated based on data whose inaccuracy has subsequently been clearly demonstrated and (ii) the refund of the amounts paid and/or not to pay the amounts to which the director is entitled, in those cases in which the director has committed a serious breach in the duties of diligence or loyalty necessary for the exercise of the office held at ACCIONA, or for any other serious and culpable breach of the obligations that the executive directors have assumed by virtue of the contracts signed with ACCIONA for the performance of their executive duties.

In particular, and with regard to long-term variable remuneration systems in shares, it is established that: a) company shares transferred to executive directors in 2017 (in relation to fiscal years 2014, 2015 and 2016) are subject to a repurchase right in favor of Acciona that may be exercised in the event the executive director acquiring the shares ceases to perform senior management duties for Acciona and its Group prior to 31 March 2020 due to a breach of contractual duties or resignation exclusively at the election of the latter; b) the delivery of 20% of the shares that executive directors are entitled to receive will be subject to a minimum deferral period of 1 year and until the approval of the Annual Accounts of the fiscal year following the last accrual period used in the calculation of the remuneration. Accrual will be conditional, in addition to the permanence of the executive director in the Acciona Group, on there being no cause brought to light prior to the date of delivery of the shares, in the opinion of the Board of Directors, at the proposal of the Appointments and Remuneration Commission, that should result, in the opinion of the external auditors, in a significant reformulation of the consolidated financial statements of the Acciona Group, except where appropriate in accordance with a modification of the accounting regulations; and c) Acciona may claim from the executive director the return of an amount equivalent to the opening market price of the shares of Acciona, S.A. on the date on which the corresponding delivery took place, if in the following three (3) years (i) the executive director incurs a serious breach of the duties of diligence or loyalty necessary for the exercise of the office held at Acciona, or any other serious and culpable breach of the obligations that executive directors have assumed by virtue their contracts with Acciona for the performance of executive duties, or (ii) the executive director has received shares for the implementation of the 2014 Plan based on data whose inaccuracy has subsequently been clearly demonstrated;

As regards the Savings Plan, the conditions for consolidating the contributions made are indicated in the corresponding section of this report.

- Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

At its meeting of 30 May 2018, the Board of Directors approved, at the proposal of the Appointments and Remuneration Commission, to set new amounts for membership on the Board of Directors and Commissions which, starting that date, are as follows: a) executive directors will not receive remuneration for membership on the Board of Directors and therefore their remuneration will be that which corresponds to their executive functions; b) to the extent the Executive Commission ceases to exist, the remuneration for belonging to such Commission is eliminated; c) the remuneration of non-executive directors for membership on the Board is set at 100,000 euros; d) the remuneration of non-executive directors for belonging to the Commissions is set at 70,000 euros for the Auditing Commission, 55,000 euros for the Appointments and Remuneration Commission and 50,000 euros for the Sustainability Commission; e) the additional remuneration for holding the position of coordinating independent director is amended to 30,000 euros and f) the additional remuneration for exercising the chairmanship of the Commissions is amended to 11,000 euros for the Auditing Commission, 10,000 euros for the Appointments and Remuneration Commission and 8,000 for the Sustainability Commission.

The amounts indicated are expected to be accrued during the year by directors in their capacity as such.

The Appointments and Remuneration Commission, after a detailed study of the remuneration received in international companies and those included on the IBEX 35 index, considered that the remuneration is in line with market rates of companies of a similar size and activity, that comparable functions and dedication are compensated in an analogous manner which, without comprising the independence of the directors, provides a suitable incentive for the dedication of directors on the different Commissions.

There are no specific allowances for attending the meetings of the Board of Directors or its Commissions.

The 2018-2020 Remuneration Policy has set the maximum annual amount at 1,700,000 euros to accommodate possible changes that could occur during the effective period of the Remuneration Policy resulting from an increase by the General Shareholders' Meeting in the number of members of the Board of Directors, a possible division of the current Appointments and Remuneration Commission into two different Commissions, one for appointments and the other for remuneration, pursuant to the provisions of the Company Bylaws and the Regulations of the Board of Directors, and a possible adjustment of the remuneration for membership on any of the established bodies and Commissions.

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

Executive Directors who, as of 30 May 2018, do not receive remuneration for being members of the Board of Directors receive fixed remuneration for the senior management functions they perform, as detailed below:

- Executive Chairman: 1,375,000 euros.
- Executive Vice-Chairman: 738,000 euros.

In accordance with the remuneration policy, these amounts will remain fixed until the Board of Directors resolves to update them. In this regard, the Board of Directors may review, at the proposal of the Appointments and Remuneration Commission, the amounts corresponding to the fixed remuneration of the executive directors based on their performance, the market remuneration information for comparable companies at a global level in a salary range between the median and the 75th percentile and the Company's earnings.

These amounts are not expected to be modified in the current year.

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

The Executive Directors receive certain remuneration in kind, which corresponds to the following items:

Life insurance, company vehicle and medical insurance, according to the Company's Benefits Policy in force at any given time.

Executive Directors will be entitled to the reimbursement of any reasonable expenses (travel, transportation, living expenses, mobile phone, representation or any other type) incurred in the performance of their services to the Company, provided they are justified appropriately.

The modification of this remuneration may be approved by the Board, at the proposal of the Appointments and Remuneration Commission.

In the case of non-executive directors, the Company covers travel expenses for the performance of their duties.

- Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

Annual variable remuneration system:

The fundamental reference behind the fixing of the variable remuneration is the fulfilment of the established economic objectives, with equal importance given to the individual professional performance appraisal of each Executive Director, according to the evaluation of the Appointments and Remuneration Commission, with the final approval of the Board of Directors.

For the assessment of the achievement of the annual economic objectives, those relating to EBITDA, EBT and the level of debt are taken into account, as well as other economic objectives established at the beginning of the year in line with the Corporate strategy. In addition to generating economic value, objectives are weighed that contribute to the development of a business model that promotes balanced and sustainable development and fosters social cohesion. The annual performance appraisal of Executive Directors includes sustainability goals and metrics related to carbon emission reduction, waste management, employee training and the application of sustainability policies throughout the value chain. Variable remuneration includes the necessary safeguards to ensure that such remuneration is related to the professional performance of its beneficiaries and does not simply derive from the general evolution of the markets or the Company's sector of activity.

The Board of Directors may modify the objectives established for each year so that they reflect the Company's strategic priorities and ensure the alignment of incentives with the creation of value and the interests of shareholders, and sets the annual variable remuneration of each executive director for each year. This remuneration may be zero under certain circumstances, and in a scenario in which all the objectives for the year are achieved, three times the fixed salary.

The annual variable remuneration is settled on an accrual basis after the Board of Directors has prepared the Annual Accounts and the specific amount has been established at the proposal of the Appointments and Remuneration Commission.

In the event of termination of the contractual relationship before the end of the accrual period of the annual variable remuneration for reasons not attributable to the executive director, the latter will be entitled to receive the proportional part corresponding to the effective period in which their services were rendered in the year in which the termination occurs.

This variable remuneration is paid in full in cash, either on the payment date or deferred through a contribution to the Savings Plan. In 2018, part of the variable remuneration was paid on a deferred basis through extraordinary contributions to the Savings Plans of the executive directors.

The executive directors are the only beneficiaries of payment systems that feature variable remuneration, as established in article 31.3 of the Company Bylaws. No remuneration policy has been established for payments under profit-sharing or bonus schemes.

Long-term variable remuneration system in shares:

In accordance with the Regulations of the 2014 Plan for the delivery of shares and performance shares, the fulfilment of objectives will be based on strategic business indicators. These have been defined by the Board of Directors for the years 2014 to 2019, as detailed below:

- Consolidated Net Debt/EBITDA ratio at the end of the last year of the reference period (25%);
- Ordinary profit before taxes in the reference period (40%);
- Net earnings per share in the reference period (25%);
- Other criteria to be assessed by the Appointments and Remuneration Commission (10%), including at least the following:
  - Total return on shares, due to increase in value and dividends, during the reference period;
  - Comparison of estimates of the future value of Acciona's shares and the recommendations of at least four analysts who closely monitor the shares, made by those analysts in December 2013 and in January of the year following the end of the reference period; and,
  - Comparison of the evolution of the share price of Acciona with that of the IBEX-35 Index between the first and last years of the reference period.

The Board of Directors, after considering the recommendation of the Appointments and Remuneration Commission, has defined the following for each of the strategic business indicators for the reference period of the 2014 Plan:

- i. The target, quantified when it can be expressed as a metric, for each of these indicators;
- ii. The minimum level of each indicator, below which it will be deemed not to have been achieved, and the maximum level of each indicator as a reference for calculating the allocation associated with the over-fulfillment of each of the indicators,
- iii. The weighting assigned to each indicator in quantifying the level of achievement reached in the reference period, as indicated above.
- iv. The number of shares to be delivered for each of the indicators is calculated by applying a linear formula between the minimum and the target and between the target and the maximum according to the degree of fulfillment.

The reference period for strategic business indicators is the six-year period 2014-2019.

The allotment of company shares to the executive directors will be made (a) at the end of the total period of the 2014 Plan (in 2020), in consideration of the evaluation covering the entire period (2014-2019); and (b) in an intermediate milestone, in 2017, after the conclusion of the first three years (2014-2016), taking into account the evaluation made of the first three-year period (2014-2016).

In accordance with the above, after determining the degree of achievement of the objectives during the first three-year period (2014-2016), which amounted to 131%, in 2017, the Board of Directors approved the allocation and delivery of 130,121 shares to the executive directors, as detailed in section D of the 2017 Annual Report on Directors' Remuneration.

The delivery of the shares assigned to the executive directors is also subject to the condition that up to 31 March of the year in which the shares are delivered, the executive director had not ceased to perform senior management duties at Acciona and its Group for reasons attributable to the director.

If, prior to that date, the performance of these functions has been terminated for a reason not attributable to the executive director, it will be deemed that the condition to which the delivery of the shares is subject has been met and the Board of Directors will resolve, after considering the relevant criteria of the Appointments and Remuneration Commission, to attribute the definitive right to the immediate delivery of the corresponding company shares, following the assessment of the degree of achievement of the objectives established in the period elapsed until the termination.

The specific date for the delivery of shares to be carried out in accordance with the provisions of the preceding paragraphs will be determined by the Board of Directors and, in any case, will be carried out after the General Shareholders' Meeting has been held in the year in which the delivery is made. The delivery of 20% of the shares that the executive directors are entitled to receive will be subject to a period of deferral of a minimum of one (1) year, with their accrual being conditional, in addition to the permanence of the executive director in the Acciona Group, on there being no cause brought to light prior to the date of delivery of the shares, in the opinion of the Board of Directors, at the proposal of the Appointments and Remuneration Commission, that should result, in the opinion of the external auditors, in a significant reformulation of the consolidated financial statements of the ACCIONA Group, except where appropriate in accordance with a modification of the accounting regulations.

With regard to the shares to be delivered in 2020 to the Executive Directors, if any, and only in respect of a number of Shares equivalent to twice their annual fixed remuneration, they may not (a) dispose of, encumber or make available by any title (except *mortis causa*), or (b) grant any option rights on them or any other limitation of ownership or guarantee, until three (3) years have elapsed following their assignment.

The Executive Directors may, however, contribute the Shares delivered to them in implementation of the 2014 Plan to companies controlled by or in which the Executive Director has a stake. In these cases, Acciona will adopt the necessary guarantees, including real guarantees, to ensure compliance with the provisions of the Regulations of the 2014 Plan and, in any case, the company that is the beneficiary of the Shares controlled or held by the Executive Director must acknowledge this and undertake to comply with the guarantees or limitations granted in favor of Acciona.

Lastly, the 2014 Plan does not envisage a possible sale of the shares delivered to cover the tax incurred by the beneficiary a result of such delivery. The cost of payment on account of earnings derived from the 2014 Plan will not be passed on to the beneficiaries, with the Company assuming the tax cost that this payment on account has in the personal taxation of beneficiaries within the limits established by Acciona. This cost is considered a higher return derived from the long-term incentive in which the executive directors participate and, consequently, with respect to the shares delivered in 2018, it is included in section C.1.a.i) under the heading "long-term variable remuneration" in the amount of 320 thousand euros and 192 thousand euros for the Chairman and Vice-Chairman, respectively.

In the current year, 8,675 shares are expected to be delivered, broken down as follows:  
Chairman: 5,422 shares.  
Vice-Chairman: 3,253 shares.

The delivery to be made in the current year corresponds to the shares assigned in 2017, the delivery of which was deferred on a straight-line basis over a three-year period.

Non-Executive Directors:

As regards directors, in December 2017 an agreement was reached (HR 259553) to extend the duration of the Plan by an additional two years (i.e. up to the year 2021, inclusive) under the terms and conditions provided for in the Plan's regulations and to envisage, subject to the full discretion of the Board of Directors and following a report from the Appointments and Remuneration Commission, the possibility of making an extraordinary allocation and delivery of Acciona shares over multi-year periods (minimum of three (3) years) to one or more of Beneficiary Directors (other than the executive directors) for the achievement of extraordinary results.

Number of shares available for the Plan:

The maximum number of shares that may be allotted to Beneficiaries in application of the 2014 Plan is initially established as 258,035, although this may be increased through a resolution of the General Shareholders' Meeting.

In this regard, the General Shareholders' Meetings held on 11 June 2015, 10 May 2016, 18 May 2017 and 30 May 2018 resolved to increase the maximum number of shares available for the Plan by 100,000 shares in each one of them, without prejudice to subsequent increases if so proposed by the Board of Directors and approved by the General Shareholders' Meeting.

At the close of 2018, the maximum number of shares that can be delivered in implementation of the Plan is 405,823 shares, after having used 38,742 shares in 2018 for delivery to directors other than Executive Directors and 8,675 shares for delivery to Executive Directors. Notwithstanding the foregoing, 17,350 shares assigned in 2017 have not yet been delivered to the executive directors, the delivery of which is deferred on a linear basis over a two-year period (one half each year).

Other instruments:

The Board of Directors may, at the proposal of the Appointments and Remuneration Commission, replace the delivery of company shares to Executive Directors in the implementation of the 2014 Plan with the delivery of other securities, instruments or financial assets, or other payment procedures allowed, as a possible form of multi-year remuneration under the remuneration policy of the Directors of Acciona in force at any given time.

Beneficiaries:

The annual number of beneficiaries may not exceed 100, including executive directors and directors of the Acciona Group.

Other possible extraordinary incentives:

The Board of Directors, at the proposal of the Appointments and Remuneration Commission, may submit other extraordinary incentive plans to the approval of the General Shareholders' Meeting to respond to business circumstances or corporate transactions when, in its opinion, this is necessary.

- Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the

conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

The Company has established a savings plan linked to survival to a predetermined age, permanent disability with a degree of total, absolute or severe disability and death ("Savings Plan") addressed exclusively to the Company's Executive Directors, for the purpose of supplementing public social security benefits, under the conditions and terms established in the Savings Plan Regulations.

1) Basic characteristics of the Savings Plan:

a) This is a benefit plan in the form of a defined contribution.

b) The system is endowed externally through the payment of annual premiums by the Company to an insurance company in favor of the participant for survival and risk contingency coverage, that is: (i) death, and (ii) permanent disability in the degrees provided for in the Regulations.

c) Should the participants cease in their position as executive directors of ACCIONA for any reason, the Company will cease to pay the Savings Plan premiums on the date on which they verifiably leave their position, without prejudice to the economic rights granted to the participants.

d) The payment of the benefits derived from the Savings Plan will be made directly by the insurance company to the participants, net of corresponding withholdings and payment on account of personal income tax (IRPF) which may be applicable, and which will be charged to the recipient of the benefit. For the contingency of death, the payment of the benefit will also be made directly by the insurance company, in favor of their successors in title.

e) The condition of participant in the Savings Plan will be lost if any of the following circumstances occur:

Occurrence of any of the covered risk contingencies and collection of the benefit.

Reaching the age of 65 ("the maturity age").

To cease in the position of executive director of Acciona for any reason other than the above.

f) The Board of Directors of Acciona may, in any case, decide to cancel or modify the amount of the premiums.

2) Consolidation conditions:

The recipient of the Savings Plan benefit will be the Company in the following two cases:

A) In the event that participants cease to hold the position of Executive Director of ACCIONA due to the resignation or relinquishment of the position of Executive Director for voluntary reasons.

B) In the event of dismissal of Executive Directors due to breach of their duties or due to the performance of any act or omission that causes damage to the Company, declared by a final judicial decision issued by the competent judicial body.

In these cases, the participants will lose all the economic rights accumulated in the Savings Plan and, therefore, will not be able to receive the benefit derived from the Plan.

3) Contributions foreseen for 2019:

In accordance with the 2018/2020 remuneration policy, the Board of Directors, at the proposal of the Appointments and Remuneration Commission, has established an annual contribution equivalent to 100% of the fixed annual salary. In addition, Executive Directors may decide to settle all or part of their annual variable remuneration through extraordinary contributions to the Savings Plan.

There is no type of severance for early termination or termination of the contractual relationship with the Executive Directors and therefore it is not considered necessary to establish compatibility conditions in the Savings Plan.

- Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.



The contracts signed with the Executive Directors do not provide for severance in the event of termination of functions as Director, nor has any amount been paid for termination of functions as Director.

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on con-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The Executive Directors render their services in the performance of executive functions for an indefinite period of time. Article 31.1 of the Articles of Association of Acciona establish a three-year term of appointment as a Director, who may be re-elected one or more times.

According to the Regulations of the Board of Directors, Executive Directors must place their position at the disposal of the Board of Directors and, if the latter considers it appropriate, formalize their resignation when they cease to hold the executive positions on the basis of which they were appointed as Directors.

No severance payment has been agreed for the termination or early termination of the executive functions of the directors, nor any hiring bonuses, permanence clauses or notice periods.

Executive Directors provide services on an exclusive and full-time basis, without prejudice to being able to hold positions in family businesses whose activity does not coincide with that of the Acciona Group or institutional posts of representation in non-profit institutions.

For an additional period of one year from the termination of the contract signed with the Company, Executive Directors are to refrain from:

- (a) Providing services, directly or indirectly, to any person, business or company (whether as partner, director, employee, consultant, investor, borrower or in any other way) that competes with the business of the Company or the Acciona Group, without express authorization from the Company, which will not be withheld unreasonably.
- (b) Participating, directly or indirectly, in the capital of any company or entity that competes with the business of the Company or the Acciona Group. This prohibition will not be construed as a breach in the case of an insignificant holding. For these purposes, it is considered that a holding is not significant when it is an investment that does not directly or indirectly grant management functions or significant influence in the competing company.
- (c) Employing or attempting to employ any member of staff or of the management team of the Company or of any other company belonging to the Acciona Group or persuading them to resign from their position, as well as persuading or attempting to persuade an agent, customer, supplier or collaborator of the Company or of the Acciona Group to terminate their relationship with them.

The contracts entered into with the Executive Directors exclude any compensation linked to the prohibition of post-contractual non-competition for the one-year period assumed by the Executive Directors.

The ordinary employment relationship linking the Executive Directors to the Company since joining it has been suspended.

In compliance with the provisions of articles 249 and 529q of the Spanish Capital Companies Act, the corresponding contracts with the Executive Directors have been signed.

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

No additional remuneration for services rendered other than those inherent to their position has been envisaged for directors.

- Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

No remuneration in the form of advances, loans or guarantees has been envisaged for directors.

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

Directors are not expected to receive any other remuneration items other than those set forth in this report, without prejudice to those that generally correspond to them as shareholders.

**A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:**

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

There have been no significant changes in the remuneration policy to be applied in the current financial year with respect to that applied in the previous financial year and it is not foreseen that a proposal for relevant modifications will be presented at the 2019 General Meeting.

**A.3 Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.**

[https://accionacorp.blob.core.windows.net/media/2056921/6-politica\\_remuneraciones\\_2018\\_2020.pdf](https://accionacorp.blob.core.windows.net/media/2056921/6-politica_remuneraciones_2018_2020.pdf)

**A.4 Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.**

In accordance with section B.4, the Annual Report on Directors' Remuneration for 2017 obtained 93.48% of votes in favor at the General Shareholders' Meeting corresponding to 2018, with the acceptance of this Report increasing by more than 5 percentage points with respect to the General Shareholders' Meeting of 2017.

**B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED**

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**B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained 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, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.**

The process followed to apply the remuneration policy and determine the individual remuneration corresponding to the year ended has been carried out as indicated in section A.1 of this report.

The Commission met 5 times in 2018. The preparatory reports of the proposals submitted for the consideration of the Commission are presented at the meetings and a copy is kept with the minutes. In 2018, the Appointments and Remuneration Commission, in regard to remuneration: a) analyzed the remuneration of the first and second levels of the management team and proposed their variable remuneration b) approved the proposal for the allocation of shares to directors, c) reported favorably on the Plan for the replacement of variable remuneration in cash by shares for the directors, except the executive directors, d) supervised and proposed to the Board the approval of the Annual Report on Remuneration and e) analyzed and submitted to the Board of Directors the proposal for the modification of the remuneration items of the Board, Commissions and Positions.

**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 adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

Acciona's Remuneration Policy is compatible with appropriate and effective risk management.

The various actions taken by the Company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company are indicated in section A.1 of this report.

The purpose of these actions is to control the Company's remuneration practices by aligning them with its business strategy, promoting the long-term profitability and sustainability of Acciona and incorporating the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavorable results.

In terms of remuneration governance, the Appointments and Remuneration Commission respects the criteria of independence in its composition and deliberations, and the decisions of the Board of Directors that affect the remuneration of executive directors are approved without the participation of these directors in the discussion or voting.

**B.3** Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

The directors have not accrued any remuneration in 2018 that is not provided for in the 2018-2020 Remuneration Policy.

With regard to long-term variable remuneration in shares, the approved remuneration consisted of the delivery of the first third of the shares that were deferred in the settlement of the three-year period 2014-2016, since their accrual is conditional, in addition to the permanence of the Executive Director in the Acciona Group, on there being no cause brought to light prior to the date of delivery that, in the opinion of the Board of Directors, at the proposal of the Appointments and Remuneration Commission, should result, in the opinion of the external auditors, in a significant reformulation of the consolidated financial statements of the Acciona Group.

In relation to short-term variable remuneration, the approved remuneration corresponds to the qualitative assessment of the Board with respect to the Company's objectives, taking into account the degree of achievement of the following quantitative targets defined at the beginning of the year in alignment with the Company's strategy:

- 40% EBITDA

- 20% EBT
- 40% Debt level

With regard to the influence of the company's results and the remuneration of directors, the Remuneration Policy establishes that the necessary safeguards must be included to avoid excessive risk-taking and the rewarding of unfavorable results.

In this sense, in order to adapt the remuneration of executive directors to the Group's short and long-term performance, the annual variable remuneration and the long-term remuneration in shares are linked in a significant percentage to quantitative business targets.

The short and long-term variable remuneration systems include measures that take into account possible variations in the Company's results, including: a) achievement scales defined for each objective based on the results achieved by the Company. Consequently, any variation in the Company's performance in the short or long term affects the degree to which the objectives are achieved, and directly affects the amount of the variable remuneration to which the executive directors may be entitled and b) all variable remuneration of executive directors is subject to a clawback clause, which allows the Company to claim the reimbursement of the variable components of remuneration when, in the three years following its settlement and payment, it is shown that the settlement and payment of said remuneration has taken place on the basis of data whose inaccuracy has subsequently been clearly demonstrated.

**B.4** Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast	46,040,458	100.00

  

	Number	% cast
Votes against	2,616,490	5.68
Votes in favour	43,039,519	93.48
Abstentions	384,474	0.84

**Remarks**

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

The fixed remuneration of Directors in their capacity as such in 2018 has been determined as indicated in section A.1. of this report.

The amount paid to Directors for their membership on the Board and the Commissions in 2018 was 1405 thousand euros, which is below the maximum established in the 2018-2020 Remuneration Policy. In the previous year (2017) it was 1308 thousand euros.

**B.6** Explain how the salaries accrued by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

In 2018, the Executive Directors received fixed remuneration for the senior management functions they perform, as detailed below:

- Executive Chairman: 1,375,000 euros.
- Executive Vice-Chairman: 738,000 euros.

The fixed remuneration received by the Executive Directors in 2017 was 1,000,000 euros for the Executive Chairman and 500,000 euros for the Executive Vice-Chairman.

In accordance with the Remuneration Policy approved by the General Meeting at the proposal of the Appointments and Remuneration Commission, the Board of Directors agreed to increase, as of 2018, the fixed remuneration and the contribution to the savings plan, as indicated in the 2017 Annual Report on Directors' Remuneration.

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

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.

In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term to exercise them.

- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.
- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems

Non-executive directors do not receive any type of variable remuneration and are not beneficiaries of any remuneration system that incorporates variable remuneration.

Variable annual remuneration system of the Executive Directors:

The setting of the variable remuneration is explained in Section A.1.

In the assessment of the achievement of the annual economic objectives, those relating to EBITDA, EBT and the level of debt are taken into account. In addition to generating economic value, objectives are weighed that contribute to the development of a business model that promotes balanced and sustainable development and fosters social cohesion. The annual performance appraisal of Executive Directors includes specific sustainability goals and metrics.

Specifically, in fiscal year 2018 the weighting of each of the quantitative objectives defined at the beginning of the year and aligned with the Company's strategy was as follows:

- 40% EBITDA
- 20% EBT
- 40% Debt level

In accordance with the foregoing, after determining the degree of achievement of the above objectives and the qualitative assessment with respect to the other objectives referred to above, the Board of Directors, at the proposal of the Appointments and Remuneration Commission, approved the amounts of the variable remuneration, which amounted to 3,900 thousand euros and 1,100 thousand euros for the Chairman and Vice-Chairman, respectively.

This variable remuneration is paid in full in cash, either on the payment date or, at the election of the Executive Directors, deferred in full or in part through a contribution to the Savings Plan.

In 2018, in accordance with the decision of the Executive Directors, the annual variable remuneration was paid as follows:

Variable annual remuneration 2018 approved by the Board (thousands of euros):

- JOSÉ MANUEL ENTRECANALES DOMEQ 3,910

- JUAN IGNACIO ENTRECANALES FRANCO 1,106

Extraordinary contribution to the Savings Plan (section C.1.a) iii) (thousands of euros):

- JOSÉ MANUEL ENTRECANALES DOMEQ 2,000

- JUAN IGNACIO ENTRECANALES FRANCO 900

Annual variable remuneration received in cash (section C.1.a) i) (thousands of euros):

- JOSÉ MANUEL ENTRECANALES DOMEQ 1,910

- JUAN IGNACIO ENTRECANALES FRANCO 206

In addition to the above amounts, the following amounts corresponding to the payment on account of the remuneration in kind have been included under this item, amounting to 10,000 euros and 6,000 euros for the Chairman and Vice-Chairman, respectively.

With respect to the data included in section C.1.a) i), the amount of the short-term variable remuneration is that which results from subtracting the extraordinary contribution to the Savings Plan decided by the Executive Director from the recognized annual variable remuneration.

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

Long-term variable remuneration system in shares:

Long-term variable remuneration in shares is linked to Acciona's strategic objectives, which were previously defined by the Board of Directors for the years 2014 to 2019 as indicated in section A.1.

With regard to long-term variable remuneration, in the year ended, 8,675 shares were delivered to the Executive Directors in 2018, corresponding to the shares assigned in 2017, the delivery of which was deferred on a linear basis over a three-year period, equivalent to 20% of the total granted.

Notwithstanding the foregoing, 17,350 shares assigned in 2017 are pending delivery, the delivery of which is deferred on a linear basis over a two-year period (one half each year) as shown below:

- Delivery of 8,675 shares broken down as follows:

Chairman: 5,422 shares.

Vice-Chairman: 3,253 shares.

- The allocation of 17,350 shares broken down as follows:

Chairman: 10,844 shares.

Vice-Chairman: 6,506 shares.

This information is included in section C.1.a.ii) "Share-Based Remuneration Systems" in the tables entitled "2014 Plan - Allocation of Performance Shares and Delivery of Shares" corresponding to the Executive Directors.

The valuation of the shares delivered to the executive directors and the corresponding tax costs assumed by the Company as higher long-term variable remuneration in cash are included in different tables of the Annual Report on Directors' Remuneration and are detailed below:

Value of the shares delivered C.1.a.ii) (thousands of euros)

- JOSÉ MANUEL ENTRECANALES DOMEQ 416

- JUAN IGNACIO ENTRECANALES FRANCO 249

Tax cost assumed by the Company associated with the delivery of shares C.1.a.i) (thousands of euros)

- JOSÉ MANUEL ENTRECANALES DOMEQ 320

- JUAN IGNACIO ENTRECANALES FRANCO 192

**B.8** Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

No reduction or recovery of the variable remuneration of Executive Directors has been made in 2018 or in any of the previous years.

**B.9** Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

The Company has established a savings plan linked to survival to a predetermined age, permanent disability with a degree of total, absolute or severe disability, and death ("Savings Plan") addressed exclusively to the Company's Executive Directors, for the purpose of supplementing public social security benefits, under the conditions and terms established in the Savings Plan Regulations, as indicated in section A.1 of this report.

The contributions in favor of the executive directors in 2018 amounted to 5,013 thousand euros. These contributions include the contributions of 100% of the annual fixed salary and an additional amount derived from the extraordinary contributions to the Savings Plan corresponding to part of the variable remuneration for fiscal year 2018, as indicated above.

The difference between the total amounts contributed and the amount of funds accumulated at 31 December 2018 stated in the report corresponds to the financial returns generated by the Plan itself over the different years.

**B.10** Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

There have been none. The contracts signed with the Executive Directors do not provide for severance in the event of termination of the functions as Director, nor has any amount been paid for termination of functions as Director.

**B.11** Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There have been no significant changes in the contracts of the Executive Directors.

**B.12** Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

The Directors did not receive any other remuneration items in 2018 other than those set forth in this report.

**B.13** Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

The Directors did not receive any remuneration in the form of advances, loans or guarantees in 2018.

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

In accordance with section 5.2.5 of Acciona's Directors' Remuneration Policy, in 2018 the Executive Directors received certain remuneration in kind, which corresponds to the following items:

Life insurance, company vehicle and medical insurance, according to the Company's Benefits Policy in force at any given time.

Executive Directors will be entitled to the reimbursement of any reasonable expenses (travel, transportation, living expenses, mobile phone, representation or any other type) incurred in the performance of their services to the Company, provided they are justified appropriately.

The amount of these remunerations in kind is included individually in section C.1.a)i) under the heading "Other Items" for an amount of 32 euros and 21 euros for the Chairman and Vice-Chairman, respectively.

In the case of non-executive directors, the Company covers travel expenses for the performance of their duties.

**B.15** Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

The Company has not paid any such remuneration.

**B.16** Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related operation or its settlement distorts the true image of the total remuneration accrued by the director.

The Directors did not receive any other remuneration items other than those set forth in this report in 2018, without prejudice to those that generally correspond to them as shareholders.



**C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR**

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Name	Type	Period of accrual in year 2018
Mr. JOSE MANUEL ENTRECANALES DOMEQ	Executive Director	From 01/01/2018 to 31/12/2018
Mr. JUAN IGNACIO ENTRECANALES FRANCO	Executive Director	From 01/01/2018 to 31/12/2018
Mr. JAVIER ENTRECANALES FRANCO	Propietary Director	From 01/01/2018 to 31/12/2018
Mr. DANIEL ENTRECANALES DOMEQ	Propietary Director	From 01/01/2018 to 31/12/2018
Ms. BELEN VILLALONGA MORENES	Other External Director	From 01/01/2018 to 31/12/2018
Mr. JAIME CASTELLANOS BORREGOS	Independent Director	From 01/01/2018 to 31/12/2018
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	Independent Director	From 01/01/2018 to 31/12/2018
Mr. JERONIMO MARCOS GERARD RIVERO	Independent Director	From 01/01/2018 to 31/12/2018
Mr. FERNANDO RODÉS VILA	Independent Director	From 01/01/2018 to 31/12/2018
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	Independent Director	From 30/05/2018 to 31/12/2018
Mr. JUAN CARLOS GARAY IBARGARAY	Independent Director	From 01/01/2018 to 31/12/2018
Mr. JOSE MARÍA PACHECO GUARDIOLA	Independent Director	From 30/05/2018 to 31/12/2018
Ms. KAREN CHRISTIANA FIGUERES OLSEN	Independent Director	From 01/01/2018 to 31/12/2018

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Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year 2018	Total in year 2017
Mr. JOSE MANUEL ENTRECANALES DOMEQ	29			1,375	1,910	320			3,634	5,412
Mr. JUAN IGNACIO ENTRECANALES FRANCO	29			738	206	192			1,165	2,891
Mr. JAVIER ENTRECANALES FRANCO	86		63						149	149
Mr. DANIEL ENTRECANALES DOMEQ	86		68						154	150
Ms. BELEN VILLALONGA MORENES	86								86	68
Mr. JAIME CASTELLANOS BORREGOS	29		58						87	204
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	86		59						145	113
Mr. JERONIMO MARCOS GERARD RIVERO	86		31						117	68
Mr. FERNANDO RODÉS VILA	29		31						60	140
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	57		31						88	
Mr. JUAN CARLOS GARAY IBARGARAY	86		163						249	204
Mr. JOSE MARÍA PACHECO GUARDIOLA	57		29						86	
Ms. KAREN CHRISTIANA FIGUERES OLSEN	86		40						126	42

Remarks

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ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year 2018		Financial instruments granted at start of year 2018		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSE MANUEL ENTRECANALES DOMECCQ	2014 Plan for the delivery of shares and "performance shares"		16,266				5,422	76.64	416			10,844
Mr. JUAN IGNACIO ENTRECANALES FRANCO	2014 Plan for the delivery of shares and "performance shares"		9,759				3,253	76.64	249			6,506
Mr. JAVIER ENTRECANALES FRANCO	Plan							0.00				
Mr. DANIEL ENTRECANALES DOMECCQ	Plan							0.00				
Ms. BELEN VILLALONGA MORENES	Plan							0.00				
Mr. JAIME CASTELLANOS BORREGOS	Plan							0.00				
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	Plan							0.00				
Mr. JERONIMO MARCOS GERARD RIVERO	Plan							0.00				

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Name	Name of Plan	Financial instruments at start of year 2018		Financial instruments granted at start of year 2018		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. FERNANDO RODÉS VILA	Plan							0.00				
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	Plan							0.00				
Mr. JUAN CARLOS GARAY IBARGARAY	Plan							0.00				
Mr. JOSE MARÍA PACHECO GUARDIOLA	Plan							0.00				
Ms. KAREN CHRISTIANA FIGUERES OLSEN	Plan							0.00				

Remarks

iii) Long-term saving systems

Name	Remuneration from consolidation of rights to savings system
Mr. JOSE MANUEL ENTRECANALES DOMECCQ	
Mr. JUAN IGNACIO ENTRECANALES FRANCO	

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Name	Remuneration from consolidation of rights to savings system
Mr. JAVIER ENTRECANALES FRANCO	
Mr. DANIEL ENTRECANALES DOMECCQ	
Ms. BELEN VILLALONGA MORENES	
Mr. JAIME CASTELLANOS BORREGOS	
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	
Mr. JERONIMO MARCOS GERARD RIVERO	
Mr. FERNANDO RODÉS VILA	
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	
Mr. JUAN CARLOS GARAY IBARGARAY	
Mr. JOSE MARÍA PACHECO GUARDIOLA	
Ms. KAREN CHRISTIANA FIGUERES OLSEN	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Saving systems with consolidated economic rights		Saving systems with unconsolidated economic rights		Systems with consolidated economic rights		Systems with unconsolidated economic rights	
	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017
Mr. JOSE MANUEL ENTRECANALES DOMECCQ			3,375	3,850			11,063	9,481
Mr. JUAN IGNACIO ENTRECANALES FRANCO			1,638	1,275			4,895	3,287
Mr. JAVIER ENTRECANALES FRANCO								

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Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Saving systems with consolidated economic rights		Saving systems with unconsolidated economic rights		Systems with consolidated economic rights		Systems with unconsolidated economic rights	
	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017
Mr. DANIEL ENTRECANALES DOMEQ								
Ms. BELEN VILLALONGA MORENES								
Mr. JAIME CASTELLANOS BORREGOS								
Ms. ANA INES SAINZ DE VICUÑA BEMBERG								
Mr. JERONIMO MARCOS GERARD RIVERO								
Mr. FERNANDO RODÉS VILA								
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO								
Mr. JUAN CARLOS GARAY IBARGARAY								
Mr. JOSE MARÍA PACHECO GUARDIOLA								
Ms. KAREN CHRISTIANA FIGUERES OLSEN								

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Mr. JOSE MANUEL ENTRECANALES DOMEQ	In-kind payment	32
Mr. JUAN IGNACIO ENTRECANALES FRANCO	In-kind payment	21
Mr. JAVIER ENTRECANALES FRANCO	Item	
Mr. DANIEL ENTRECANALES DOMEQ	Item	
Ms. BELEN VILLALONGA MORENES	Item	
Mr. JAIME CASTELLANOS BORREGOS	Item	
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	Item	
Mr. JERONIMO MARCOS GERARD RIVERO	Item	
Mr. FERNANDO RODÉS VILA	Item	
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	Item	
Mr. JUAN CARLOS GARAY IBARGARAY	Item	
Mr. JOSE MARÍA PACHECO GUARDIOLA	Item	
Ms. KAREN CHRISTIANA FIGUERES OLSEN	Item	

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b) Remuneration of the company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year 2018	Total in year 2017
Mr. JOSE MANUEL ENTRECANALES DOMEcq										
Mr. JUAN IGNACIO ENTRECANALES FRANCO										
Mr. JAVIER ENTRECANALES FRANCO										
Mr. DANIEL ENTRECANALES DOMEcq										
Ms. BELEN VILLALONGA MORENES										
Mr. JAIME CASTELLANOS BORREGOS										
Ms. ANA INES SAINZ DE VICUÑA BEMBERG										
Mr. JERONIMO MARCOS GERARD RIVERO										
Mr. FERNANDO RODÉS VILA										
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO										
Mr. JUAN CARLOS GARAY IBARGARAY										
Mr. JOSE MARÍA PACHECO GUARDIOLA										



**ANNUAL REPORT ON THE REMUNERATION OF  
DIRECTORS OF LISTED CORPORATIONS**

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year 2018	Total in year 2017
Ms. KAREN CHRISTIANA FIGUERES OLSEN										

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year 2018		Financial instruments granted at start of year 2018		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSE MANUEL ENTRECANALES DOMEQ	Plan							0.00				
Mr. JUAN IGNACIO ENTRECANALES FRANCO	Plan							0.00				



**ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS**

Name	Name of Plan	Financial instruments at start of year 2018		Financial instruments granted at start of year 2018		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JAVIER ENTRECANALES FRANCO	Plan							0.00				
Mr. DANIEL ENTRECANALES DOMEcq	Plan							0.00				
Ms. BELEN VILLALONGA MORENES	Plan							0.00				
Mr. JAIME CASTELLANOS BORREGOS	Plan							0.00				
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	Plan							0.00				
Mr. JERONIMO MARCOS GERARD RIVERO	Plan							0.00				

**ANNUAL REPORT ON THE REMUNERATION OF  
DIRECTORS OF LISTED CORPORATIONS**

Name	Name of Plan	Financial instruments at start of year 2018		Financial instruments granted at start of year 2018		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. FERNANDO RODÉS VILA	Plan							0.00				
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	Plan							0.00				
Mr. JUAN CARLOS GARAY IBARGARAY	Plan							0.00				
Mr. JOSE MARÍA PACHECO GUARDIOLA	Plan							0.00				
Ms. KAREN CHRISTIANA FIGUERES OLSEN	Plan							0.00				

Remarks

**ANNUAL REPORT ON THE REMUNERATION OF  
DIRECTORS OF LISTED CORPORATIONS**

iii) Long-term saving systems

Name	Remuneration from consolidation of rights to savings system
Mr. JAVIER ENTRECANALES FRANCO	
Mr. DANIEL ENTRECANALES DOMECCQ	
Ms. BELEN VILLALONGA MORENES	
Mr. JAIME CASTELLANOS BORREGOS	
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	
Mr. JERONIMO MARCOS GERARD RIVERO	
Mr. FERNANDO RODÉS VILA	
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	
Mr. JUAN CARLOS GARAY IBARGARAY	
Mr. JOSE MARÍA PACHECO GUARDIOLA	
Ms. KAREN CHRISTIANA FIGUERES OLSEN	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Saving systems with consolidated economic rights		Saving systems with unconsolidated economic rights		Systems with consolidated economic rights		Systems with unconsolidated economic rights	
	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017
Mr. JOSE MANUEL ENTRECANALES DOMECCQ								

**ANNUAL REPORT ON THE REMUNERATION OF  
DIRECTORS OF LISTED CORPORATIONS**

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Saving systems with consolidated economic rights		Saving systems with unconsolidated economic rights		Systems with consolidated economic rights		Systems with unconsolidated economic rights	
	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017
Mr. JUAN IGNACIO ENTRECANALES FRANCO								
Mr. JAVIER ENTRECANALES FRANCO								
Mr. DANIEL ENTRECANALES DOMEQ								
Ms. BELEN VILLALONGA MORENES								
Mr. JAIME CASTELLANOS BORREGOS								
Ms. ANA INES SAINZ DE VICUÑA BEMBERG								
Mr. JERONIMO MARCOS GERARD RIVERO								
Mr. FERNANDO RODÉS VILA								
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO								
Mr. JUAN CARLOS GARAY IBARGARAY								
Mr. JOSE MARÍA PACHECO GUARDIOLA								

**ANNUAL REPORT ON THE REMUNERATION OF  
DIRECTORS OF LISTED CORPORATIONS**

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Saving systems with consolidated economic rights		Saving systems with unconsolidated economic rights		Systems with consolidated economic rights		Systems with unconsolidated economic rights	
	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017	Year 2018	Year 2017
Ms. KAREN CHRISTIANA FIGUERES OLSEN								

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Mr. JOSE MANUEL ENTRECANALES DOMEQ	Item	
Mr. JUAN IGNACIO ENTRECANALES FRANCO	Item	
Mr. JAVIER ENTRECANALES FRANCO	Item	
Mr. DANIEL ENTRECANALES DOMEQ	Item	
Ms. BELEN VILLALONGA MORENES	Item	
Mr. JAIME CASTELLANOS BORREGOS	Item	
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	Item	
Mr. JERONIMO MARCOS GERARD RIVERO	Item	
Mr. FERNANDO RODÉS VILA	Item	
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	Item	
Mr. JUAN CARLOS GARAY IBARGARAY	Item	

**ANNUAL REPORT ON THE REMUNERATION OF  
DIRECTORS OF LISTED CORPORATIONS**

Name	Item	Amount remunerated
Mr. JOSE MARÍA PACHECO GUARDIOLA	Item	
Ms. KAREN CHRISTIANA FIGUERES OLSEN	Item	

Remarks

c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

Name	Remuneration accrued in the company					Remuneration accrued in group companies				Total year 2018 group
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total FY2018 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	
Mr. JOSE MANUEL ENTRECANALES DOMEQ	3,634	416		32	4,082					
Mr. JUAN IGNACIO ENTRECANALES FRANCO	1,165	249		21	1,435					
Mr. JAVIER ENTRECANALES FRANCO	149				149					
Mr. DANIEL ENTRECANALES DOMEQ	154				154					
Ms. BELEN VILLALONGA MORENES	86				86					
Mr. JAIME CASTELLANOS BORREGOS	87				87					
Ms. ANA INES SAINZ DE VICUÑA BEMBERG	145				145					
Mr. JERONIMO MARCOS GERARD RIVERO	117				117					

**ANNUAL REPORT ON THE REMUNERATION OF  
DIRECTORS OF LISTED CORPORATIONS**

Name	Remuneration accrued in the company					Remuneration accrued in group companies				Total year 2018 group
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total FY2018 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	
Mr. FERNANDO RODÉS VILA	60				60					
Mr. JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	88				88					
Mr. JUAN CARLOS GARAY IBARGARAY	249				249					
Mr. JOSE MARÍA PACHECO GUARDIOLA	86				86					
Ms. KAREN CHRISTIANA FIGUERES OLSEN	126				126					
<b>TOTAL</b>	<b>6,146</b>	<b>665</b>		<b>53</b>	<b>6,864</b>					

Remarks





**D. OTHER INFORMATION OF INTEREST**

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If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

[ ]

This annual remuneration report has been approved by the Board of Directors of the company on:

[ 28/02/2019 ]

State whether any director has voted against or abstained from approving this report.

- Yes
- No