SCHEDULE 1

ANNUAL REPORT ON REMUNERATIONS OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

ISSUER'S IDENTIFICATION DATA

FINANCIAL YEAR CLOSING DATE	31/12/2017
SPANISH TAX ID (C.I.F.)	A86971249

COMPANY NAME

AXIARE PATRIMONIO SOCIMI, S.A.

REGISTERED OFFICE

JOSÉ ORTEGA Y GASSET, 29, 5ª PLANTA, 28006 MADRID

ANNUAL REPORT ON REMUNERATIONS OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

A COMPANY REMUNERATION POLICY FOR THIS YEAR

A.1. Explain the remuneration policy of the Company. This section will include information regarding:

- The general principles and grounds of the remuneration policy.

- The most significant changes made to the remuneration policy from the last financial year, as well as any changes made during this financial year to the terms for exercising options that have already been granted.

- Criteria used and the composition of peer groups of companies whose remuneration policies have been examined in order to define the Company's remuneration policy.

- Relative importance of the variable items of remuneration as compared to fixed items and standards used to determine the different components of the Directors' remuneration package (remunerative mix).

Explain the remuneration policy

The Company's remunerations policy is regulated in Article 37 of the Articles of Association to which we refer and which is published on the Company website (www.axiare.es).

The General Shareholders Meeting on 10 June 2014 resolved that the Independent Directors will be remunerated via allowances for attending the meetings of the Board of Directors and of the Committees that they are members of at any given time, consisting of a fixed annual amount which will be determined by the General Shareholders Meeting.

It has been decided that the role of Proprietary Director shall not be remunerated.

However, it was agreed that the Executive Directors (there is only one in this case, the Chief Executive Officer) shall be paid in accordance with the terms of their contract with the Company. All of the information related to this point is duly indicated in Article 25 of the Regulation on the Board of Directors, which is duly published on the Company's website (www.axiare.es).

Remuneration of the Chief Executive Officer consists of a fixed part, a variable part or "bonus" and their participation in the Share Incentive Scheme. The Chief Executive Officer is entitled to an annual bonus corresponding to a percentage of his fixed remuneration, provided that the targets fixed and approved annually by the Board of Directors are attained, and that the payment of this bonus is also approved by the Board of Directors. The maximum amount of the fixed remuneration plus variable bonus to be received by the Chief Executive Officer and the rest of the employees, is part of the total cost structure of the company, which includes sales, general expenses and administration, in addition to the fixed remuneration and bonus of all the company employees. The structural costs of the company are restricted to 1% of the share capital and the share premium, which is a much lower amount than other companies in the sector. Remunerations in kind shall also be offered, such as use of company vehicles and medical and life insurance policies, all this in accordance with the terms and conditions provided in the contracts entered into by and between said Directors and the company and approved by the General Shareholders Meeting, pursuant to the requirements set forth by the Spanish Capital Companies Act (*LSC*).

The Management Incentives Scheme comprises the handover of shares or cash at the Company's discretion, the conditions, for information purposes, can be found in the Share Capital Increase Prospectus for the 2015 trading year, is a 7-year plan and accrues year-on-year until its completion. The aforementioned scheme will give the right to receive shares as an incentive occurring when the terms and conditions detailed in the scheme are met for a specifically calculated period of time. These terms and conditions refer to the shareholder return being higher than a set percentage, primarily measured via the value uplift in the assets acquired. This incentive accrues and is calculated annually between July and June of the following year, and it is settled with an award of company shares once this period has ended.

The services contract entered into by and between the Company provides that if the Company terminates the contract without fair grounds, the Chief Executive Officer shall have the right to receive a compensation in cash equal to two years of fixed remuneration or equivalent to the compensation applicable according to the Spanish Workers' Statute in force at any time in the event of unfair dismissal, if such compensation is higher. This compensation shall not be de facto more than two years' fixed salary as mentioned above, as the Chief Executive Officer cannot accumulate sufficient service for the compensation established in the Workers' Statute to be more than two years of fixed remuneration. Furthermore, it is stated that the contractual agreement between the company and the Chief Executive Officer does not contain any post-contractual non-competition clause and therefore no compensation is planned in this regard.

The general principles of the policy are summarized for information purposes in the admission and share capital increase prospectuses registered by the Company and approved by the CNMV in 2014 and 2015, which expose the governing criteria regulated in articles 25 and 26 of the Board Regulations, where the main aspects and duties of the Appointments and Remuneration Committee are analyzed, which details the preparation, proposals and monitoring of the application of the aforementioned remuneration policy, and accordingly establishes the main aspects of the aforementioned policy. The governing principle behind the remuneration policy, following its approval, consists of a mix of fixed remuneration and variable remuneration or incentive which aligns the main interest of the shareholders with the maximum performance and professionalism of the Managing Director, in this case the Chief Executive Officer (point 3 of the Share Capital Increase Prospectus "Management Team Compensation").

There has been no change in the policy with respect to the previous trading year as this was not necessary. The IARC advisory vote was positive and the remuneration policy has not been in existence for more than three years and so it was not necessary to amend it.

"Criteria used and the composition of peer groups of companies whose remuneration policies have been examined in order to define the Company's remuneration policy" were taken into account using publicly available information on the remuneration policies of the following companies: Merlin Properties, Hispania Activos, Inmobiliaria Colonial, Lar España, as Spanish companies and Newriver as a comparable company based in GB.

As of 31 December 2017, the Company did not have any employees who were classified as Senior Management personnel. The Company's key planning, management and monitoring decisions are taken by the Chief Executive Officer and Board of Directors, together with any decisions affecting economic and strategic policy.

A.2 Information regarding the preparatory works and decision-making process followed in order to determine the remuneration policy and the role, where applicable, of the Remuneration Committee and other monitoring bodies in the establishment of the remuneration policy. This information shall include, where appropriate, the mandate and composition of the Remuneration Committee and the identity of the External Advisors whose services have been used to define the remuneration policy. Where applicable, the nature of any Directors that were involved in defining the remuneration policy shall also be included.

Explain the process for determining the remuneration policy

The preparatory work and the decision-making process for determining the remuneration policy are as follows: the drafting of the remuneration policy by the Appointments and Remuneration Committee, its approval by the Board of Directors and its submission to the General Shareholders Meeting. The General Shareholders Meeting approved the amendment to the remuneration policy, the Incentive Scheme for Directors and the services contract entered into with the Chief Executive Officer.

The Appointments and Remuneration Committee comprises three Independent Directors: Fernando Bautista Sagüés who chairs the Committee, Cato Henning Stonex and David Jiménez-Blanco Carrillo de Albornoz. Their mandate may not exceed that of their mandate as Board Members which is a three-year period. The Secretary of the Board of Directors, Iván Azinovic Gamo, acts as Secretary of the Appointments and Remuneration Committee, assisting the Chairman and drafting the minutes of the meetings, including the progress of the meetings, the content of the discussions and the approved resolutions.

In order to determine the remuneration policy, the Company engaged the services of Gómez-Acebo & Pombo Abogados, S.L.P., as external advisors.

The Directors who comprise the Appointments and Remuneration Committee and who have been involved in defining the remuneration policy, are Independent Directors.

A.3 Please indicate the amount and nature of the fixed components, with a breakdown, if applicable, of remuneration for the performance by the Executive Directors of the duties of senior management, of additional remuneration as Chairman or member of any Board Committee, of attendance allowances for participating in the Board and its committees or other fixed remuneration as Director, as well as an estimation of the resulting annual fixed remuneration. Identify any other benefits that are not paid in cash and the basic criteria upon which the benefits are granted.

Explain the fixed remuneration components

It should be pointed out that the remunerations policy for the 2017 trading year, is the same as that indicated for 2016, and it has not varied. The Independent Board Members shall receive an annual fixed premium of €100 thousand, for attending Board and Committee meetings of which they are members, except in the case of the Chairman, in which case the premium shall be €125 thousand. The Chief Executive Officer shall receive a fixed remuneration established in his/her provision of services contract and in respect of the bonus and accrual of the incentives scheme, in accordance with the Board of Directors terms, at the end of the trading year based on results and on the work performed by the Chief Executive Officer according to the criteria contained in Article 35 of the Internal Regulation on the Board of Directors Operations.

The overall remuneration received by the members of the Company's Board of Directors during the year ended on 31 December 2017 is detailed below:

- Daily expenses for attending Board of Directors meetings, applicable to all Board members: €378 thousand (2016: €325 thousand).
- Wages and salaries: €929 thousand (2016: €900 thousand), including the variable remuneration determined by fixed objectives and finally approved by the Board of Directors.
- Life insurance premiums: €18 thousand (2016: €18 thousand).
- Share-based payments. Amount paid in 2017: 667,142 shares.

A.4 Please explain the amount, nature and main features of the variable components of the remuneration schemes.

In particular:

- Identify each of the remuneration schemes of which the Directors are beneficiaries, their scope, date of approval, date of implementation, validity period and their main features. In the case of share option plans and other financial instruments, the general features of the scheme shall include information on the conditions for the exercise of such options or financial instruments for each scheme.

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

- Explain the basic parameters and grounds for any annual bonus scheme.

- The categories of Directors (Executive Directors, External Proprietary Directors, External Independent Directors or other External Directors) who are beneficiaries of remuneration systems or plans that include variable remuneration.

- The basis of those variable remuneration systems or schemes, the performance assessment criteria chosen, as well as the assessment components and methods for determining whether or not said assessment criteria have been fulfilled and an estimation of the total absolute amount of variable remuneration to which the current remuneration scheme would give rise, based on the level of compliance with the assumption or goals used as the benchmark.

- Where appropriate, please provide information on any payment deferral periods that have been established and/or retention periods for shares or other financial instruments.

Explain the variable components of the remuneration schemes

On 7 May 2014, the General Shareholders Meeting approved a new remuneration scheme based on the Company's own shares (Share Incentive Scheme), granted to the management team comprising the Chief Executive Officer and the members who manage the Company:

This scheme will remain in force for 7 years, with the right to receive shares as an incentive occurring, when the terms and conditions detailed in the plan are met for a specifically calculated period of time. These terms and conditions require the total return for shareholders to be in excess of a specific percentage, primarily measured via the value uplift in the assets acquired. This incentive accrues and is calculated annually between July and June of the following year, and it is settled with an award of company shares once this period has ended.

The fixed remuneration plus variable compensation or "bonus" received by the CEO derive from his Employment contract which is public.

The Bonus is a percentage of the salary established for the CEO by the Board of Management, based on specific criteria. The criteria taken into account by the Board of Directors for determining the CEO's Bonus are linked to share pan out, investments, the level of leases attained and the renovations carried out, in addition to the relation with investments and other objectives such as consolidation of the management team.

During the trading year ended on 31 December 2017, the CEO's dedication, performance, successful management and leadership were all outstanding. As a result, the Committee considers that the CEO has performed an excellent job with the results reflected in the above-mentioned points and therefore he has complied with the objectives set by the Board of Directors. The Committee concludes that the variable remuneration received by the CEO is fully justified.

A.5 Please explain the main features of the long-term saving schemes, including retirement and any other survival benefit, either wholly or partially financed by the company and whether funded internally or externally, with an estimation of the equivalent annual amount or cost thereof, stating the type of scheme, whether it is a defined-contribution or benefit scheme, the conditions for the vesting of economic rights in favour of the Directors and the compatibility thereof with any kind of indemnity for early termination of the contractual relationship between the Company and the Director.

Please also indicate any contributions made to defined contribution pension schemes on behalf of the Director; or the increase in vested rights of the Director, in the case of contributions to defined-benefit plans.

Explain the long-term savings plans

The Company does not have either pension funds nor similar obligations in favour of the Directors.

A.6 Please indicate any compensation agreed or paid in case of termination of duties as a Director.

Explain the compensations

The services contract entered into by and between the Company and the Chief Executive Officer, Luis Alfonso López de Herrera-Oria, dated 5 June 2014, makes two assumptions:

a. That the relation with the CEO shall terminate during the Minimum Fixed Term (namely five years from June 2014). This first case of compensation corresponding to the CEO would be that corresponding to fixed remuneration until June 2019 or, if this amount were less than two years of fixed remuneration, two years of fixed remuneration.

b. That the relation with the CEO shall terminate during the Minimum Fixed Term, namely, after June 2019. In this case, from June 2019 the compensation that corresponds to two years' fixed remuneration unless the compensation due through application of the terms established in the Workers' Statute (days for years worked) is more. In order to determine this compensation, the CEO's previous minimum service of 4 years shall be taken into account. In June 2018, when the 4-year period falls due, this condition will no longer be relevant.

Furthermore, if the Company decides to terminate the contract and unemployment benefits are not granted by the competent public authorities to Luis Alfonso López de Herrera-Oria, the company shall compensate the CEO with an amount equivalent to the unemployment benefits to which he would be entitled if he were legally unemployed when terminating the mercantile relationship, for a maximum period of two years.

In short, the cases in which the CEO is entitled to receive compensation are detailed in the provision of services contract entered into with the Company (in his role as CEO and in accordance with legally established requirements as CEO). The CEO shall primarily be entitled to receive compensation in cases of unfair dismissal as this concept is defined in the Workers' Statute. Should there be no specific agreement between the Company and the CEO, the Courts of Justice shall determine whether or not there was due cause for terminating the contract. Due cause exists when, in a negligent and wilful manner, the CEO fails to comply with the duties for which he was contracted. All the other cases of termination would be termination without due cause.

The services contract entered into by and between the Company provides that if the Company terminates the contract without fair grounds, the Chief Executive Officer shall have the right to receive a compensation in cash equal to two years of fixed remuneration or equivalent to the compensation applicable according to the Spanish Workers' Statute in force at any time in the event of unfair dismissal, if such compensation is higher. This compensation shall not be de facto more than two years' fixed salary as mentioned above, as the Chief Executive Officer cannot accumulate sufficient service for the compensation established in the Workers' Statute to be more than two years of fixed remuneration. Furthermore, it is stated that the contractual agreement between the company and the Chief Executive Officer, which contains a 5-year permanence pact and a compensation in case of default that is deductible from the compensation for termination of the relationship in the event of unfair dismissal, does not contain any post-contractual non-competition clause and therefore no compensation is planned in this regard.

A.7 Please indicate the conditions that must be included in the contracts for carrying out senior management duties as Executive Directors. Include information regarding, among other elements, the term, limits on compensation amounts, minimum fixed term clauses, prior notice periods, and payment in lieu of the aforementioned prior notice period, and any other clauses relating to hiring bonuses, as well as on benefits or golden parachutes due to early termination of the contractual relationship between the company and the Executive Director. Include, among others, any post-contractual clauses or contracts on non-competition, exclusivity, minimum fixed term or loyalty and post-contractual non-competition.

Explain the terms of the Executive Director contracts

> Term:

The services contract entered into by and between the Company and the CEO, Luis Alfonso López de Herrera-Oria, dated 5 June 2014, was executed for an indefinite term, even though it will be automatically terminated in case of his resignation or withdrawal as CEO of the Company.

> Fixed Term Commitment:

The CEO commits himself not to terminate the contract for a period of five years from its entry into force (the Minimum Fixed Term).
In the event that Luis Alfonso López de Herrera-Oria terminates his contract with the Company on unfair grounds, prior to the end of the Minimum Fixed Term, the Company will have the right to claim compensation equal to the fixed remuneration to which the CEO would be entitled during the rest of the Minimum Fixed Term.
In the event that before the end of the Minimum Fixed Term, Luis Alfonso López de Herrera-Oria is dismissed as CEO of the Company, or his appointment as CEO is not renewed, or his Contract is terminated by the Company, Luis Alfonso López de Herrera-Oria will have the right to receive compensation equal to the fixed remuneration to which he would be entitled during the rest of the Minimum Fixed Term, with a minimum of two years of fixed remuneration, that will be subject to the applicable tax withholdings. This amount will reduce euro by euro compensation for termination.
In the event that Luis Alfonso López de Herrera-Oria is dismissed as CEO of the Company, or his appointment as CEO is not renewed, or his Contract is terminated by the company after the Minimum Fixed Term, the following provisions will apply:

> Termination:

Any of the parties may terminate this Contract by written notification to the other party, within a minimum notice period of 3 months. If the Company terminates the contract without fair grounds (namely, unfair termination as defined by the Spanish Workers' Statute), the CEO shall have the right to receive a compensation in cash equal to two years of fixed remuneration or equivalent to the compensation applicable according to the Spanish Workers' Statute in force at any time in the event of unfair dismissal, if such compensation is higher. Such compensation will be subject to the applicable tax withholdings.

If the Contract is terminated on fair grounds, the CEO shall not have the right to compensation. For the purpose of severance payments, Luis Alfonso López de Herrera-Oria is granted a tenure of four years. Furthermore, if the Company decides to terminate the Contract and unemployment benefits are not granted by the competent public authorities to Luis Alfonso López de Herrera-Oria, the Company shall compensate the CEO with an amount equivalent to the unemployment benefits to which he would be entitled if he were unemployed when terminating the mercantile relationship, for a maximum period of two years. This amount shall be paid to Luis Alfonso López de Herrera-Oria as a lump sum upon termination of the contract and will be subject to the applicable tax withholdings.

> Exclusivity:

During the term of the contract, the CEO shall work exclusively for the Company, and may not render services to any parties other than the Company, unless the Company gives its express consent. The contract enabled the CEO to continue in his role as Non- Executive Board Member in various companies and to continue being Executive Director of his holding companies, also performing the duties he has undertaken in those companies, provided that this does not interfere with the CEO's duties to the Company or contravene his undertaking not to compete with the company.

> Non-competition:

During the term of the contract, the CEO will not, directly or indirectly (including, without limitation, as shareholder, controlling person, employee, agent, consultant, officer, partner or Director of any company), compete with the business and activities conducted or to be conducted by the Company, with the only exceptions regarding the existing agreements on Project Management or operation formalised between certain companies, which have been declared to the company, as long as they do not interfere with the obligations of Luis Alfonso López de Herrera-Oria as CEO.

A.8 Please explain any supplementary remuneration accrued by the Directors in consideration of services provided, other than those inherent in their position.

Explain the supplementary remunerations

Applicable.

A.9 Please indicate any remuneration in the form of advances, loans and guarantees granted, with an indication of the interest rate, main features and amounts potentially returned, as well as the obligations assumed on their behalf as a guarantee.

Explain the advances, loans and guarantees granted

Not applicable.

A.10 Please explain the main features of the remunerations in kind.

Explain the remunerations in kind

The Company provides the CEO with a Company car according to the applicable policy. The Company also covers the rental or corresponding expenses, as well as the insurance, repair and maintenance costs of the car.

The Company has taken out health and life insurance policies for the CEO and his beneficiaries.

A.11 Indicate the remunerations accrued by the Director by virtue of the payments made by the listed company to a third entity to which the Director provides services, when these payments are aimed at remunerating the Director's services at the company.

Explain the remunerations accrued by the Director by virtue of the payments made by the listed company to a third-party entity to which the Director provides services

Not applicable.

A.12 Any other remuneration item different from those listed above, of whatever nature or which group company made said payment, especially when it is considered a related-party transaction or its issue distorts the true view of the total remuneration accrued by the Director.

Explain the other remuneration items

During the financial year there were no further remuneration items other than those listed above.

A.13 Please explain the actions taken by the company regarding the remuneration scheme in order to reduce exposure to excessive risks and align it with the long-term goals, values and interests, including any reference to measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures which establish an appropriate balance between the fixed and variable components of remuneration, measures adopted for those categories of personnel whose professional activities have a material impact on the company's risk profile, debt collection formulas or clauses to claim a refund of results-based variable components of the remuneration if those components have been paid according to data which has subsequently proved to be clearly inaccurate, and measures to avoid any conflicts of interest, where appropriate.

Explain actions taken to reduce risks

In addition to the Bonus, accrual and payment of which is decided by the Board of Directors based on compliance with specific criteria analysed in the Complementary Report, the only variable remuneration is the Incentive Scheme. The Share Incentive Scheme was designed for the 7 years after the company was launched and is fully aligned with shareholders' interests, so that the right to receive the incentive only accrues if added value is created for the stakeholders.

The main value for the shareholders is the value uplift in the company assets. Based on their active management through repositioning and leasing in the market, an intrinsic value is obtained which becomes a greater value of the underlying assets of the Company, which culminates in greater stock market value of the share. The way the Incentive Scheme has been designed, the increased net book value of the company assets shall benefit the shareholders before all else. Only when they have taken 10% of that value, is the difference distributed between the management team (20%) and the shareholder (80%).

The long-term undertaking will be determined by the fact that the variable remuneration scheme consists of handing over shares that are subject to a blocking period or prohibition on their disposal with the scheme beneficiaries committing to the future of the Company.

In the event that the Net Book Value of the assets drops in successive years on grounds unrelated to their management, new incentives will not accrue until this value recovers to a level higher than the last maximum obtained. I.e., any possible rebound effect cannot be taken advantage of by the Scheme beneficiaries.

The Incentive Scheme itself does not provide specific measures should the figures used to determine its application have been fraudulently obtained. It is the legal system, with the Spanish Capital Companies Act, and the Criminal Code which would be applicable should the Board of Directors or the CEO have overstepped their duties in any way.

However, to guarantee the processes, the value of the properties shall be calculated by a recognised prestigious firm in the sector and Price Waterhouse Coopers has been commissioned to carry out a study of procedures for correctly determining the amount accruing every year in the Incentive Scheme.

B PROJECTED REMUNERATION POLICY FOR FUTURE YEARS

Revoked.

C

OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED LAST YEAR

C.1 Please summarise the main features of the structure and item of remuneration from the remuneration policy applied during the closed year, which give rise to the breakdown of individual remuneration accrued by each of the Directors as reflected in section D of this report, as well as a summary of the decisions made by the Board to apply such items.

Explain the structure and the remuneration items of the remuneration policy applied during the year

The remuneration scheme applied to the Directors in the 2017 trading year was structured as follows: allocation of expenses allowance for €378 thousand corresponding to the four Independent Directors (€125 thousand for the Chairman of the Board, €100 thousand per Independent Director per full year, and €53 thousand per Independent Director for a partial year) and payment of a salary of €929 thousand for the CEO (the remainder is the amount received by the CEO by virtue of his provision of service contract, namely €600 thousand of fixed remuneration and €300 thousand as Bonus and €29 thousand for remuneration in kind).

The decisions of the Board of Directors with regard to determination of the variable amount is indicated in this report in section A.4.

D BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH OF THE DIRECTORS

Name	Type	Accrual period 2017
DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	Independent Director	From 01/01/2017 to 31/12/2017.
FERNANDO BAUTISTA SAGÜÉS	Independent Director	From 01/01/2017 to 31/12/2017.
LUIS MARÍA ARREDONDO MALO	Independent Director	From 01/01/2017 to 31/12/2017.
CATO HENNING STONEX	Independent Director	From 20/06/2017 to 31/12/2017.
LUIS LÓPEZ DE HERRERA-ORIA	Executive Director	From 01/01/2017 to 31/12/2017.

D.1 Please complete the following tables in relation to the individual remuneration of each of the Directors (including the remuneration for the financial year for executive duties) accrued during the financial year.

a) Remuneration accrued within the company covered by this report:

i) Cash remuneration (Thousand euros)

Name	Salaries	Fixed Remuneration	Allowances	Short-term variable remuneration	Long-term variable remuneration	Remuneration for members of Board Committees	Compensation	Other items	Total 2017	Total 2016
LUIS MARÍA ARREDONDO MALO	0	0	125	0	0	0	0	0	125	125
DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	0	0	100	0	0	0	0	0	100	100
FERNANDO BAUTISTA SAGÜÉS	0	0	100	0	0	0	0	0	100	100
CATO HENNING STONEX	0	0	53	0	0	0	0	0	53	0
LUIS LÓPEZ DE HERRERA-ORIA	600	0	0	300	0	0	0	29	929	900

ii. Shared-based remuneration schemes

LUIS LÓPEZ DE HERRERA-ORIA
Equity Incentive Scheme

Implementation Date	Ownership of options at the beginning of 2017				Options assigned during 2017			
	No. of Options	Shares affected	Price (€)	Term	No. of Options	Shares affected	Price (€)	Term
27/05/2015	0	0	0.00	This incentive scheme is not based on options	0	0	0.00	This incentive scheme is not based on options
Conditions: This incentive scheme is not based on share options, it merely comprises the delivery of shares.								

Stocks delivered during 2017			Options exercised during 2017				Options sold and not exercised	Options at the end of 2017			
No. of Shares	Price	Amount	Price (€)	No. of Options	Shares affected	Gross Profit (Thousand euros)	No. of Options	No. of Options	Shares affected	Price (€)	Term
667,142	15.89	10,604	0.00	0	0	0	0	0	0	0.00	This incentive scheme is not based on options
Other requirements of the trading year: This incentive scheme is not based on share options, it merely comprises the delivery of shares.											

iii. Long-term savings plans

b) Remunerations accrued by the Directors for belonging to Boards at other group companies:

i) Cash remuneration (Thousand euros)

Name	Salaries	Fixed remuneration	Allowances	Short-term variable remuneration	Long-term variable remuneration	Remuneration for members of Board Committees	Compensation	Other items	Total 2017	Total 2016
CATO HENNING STONEX	0	0	0	0	0	0	0	0	0	0
DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	0	0	0	0	0	0	0	0	0	0
FERNANDO BAUTISTA SAGÜÉS	0	0	0	0	0	0	0	0	0	0
LUIS LÓPEZ DE HERRERA-ORIA	0	0	0	0	0	0	0	0	0	0
LUIS MARÍA ARREDONDO MALO	0	0	0	0	0	0	0	0	0	0

ii. Shared-based remunerations schemes

iii. Long-term savings plans

c) Summary of remunerations (Thousand euros):

The summary should include the amounts corresponding to all remunerated items, including those indicated in this report which the Director has accrued in thousands of euros.

In the case of the Long-term Savings Plans, they include contributions or funding for these types of plans:

Name	Remuneration accrued within the Company				Remuneration accrued within group companies				Total		
	Total cash remuneration	Number of shares granted	Gross profit of the exercised options	Company total 2017	Total cash remun eration	Number of shares delivered	Gross profit of the exercised options	Group total 2017	Total 2017	Total 2016	Contribution to savings plans during the year
CATO HENNING STONEX	53	0	0	53	0	0	0	0	53	0	0
LUIS MARÍA ARREDONDO MALO	125	0	0	125	0	0	0	0	125	125	0
FERNANDO BAUTISTA SAGÜÉS	100	0	0	100	0	0	0	0	100	100	0
DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	100	0	0	100	0	0	0	0	100	100	0
LUIS LÓPEZ DE HERRERA-ORIA	929	10,604	0	11,533	0	0	0	0	11,533	6,702	0
TOTAL	**1,307**	**10,604**	**0**	**11,911**	**0**	**0**	**0**	**0**	**11,911**	**7,027**	**0**

D.2 Please report the relationship between remuneration obtained by the Directors and the results or other measures of the entity's performance, explaining, if applicable, how any changes in the company's performance may have influenced changes in the remuneration of the Directors.

Independent Directors are paid expenses for attending meetings which have been duly set up by the company's General Shareholders Meeting. In addition, the CEO shall receive a fixed amount duly established in his provision of service contract entered into with the Company, as well as a variable amount or bonus which depends on how the Company business performs and pans out and which is established every year by the Board of Directors.

D.3 Please report the results of the consultative vote of the General Shareholders Meeting with regard to the Annual Remuneration report for the preceding year, indicating the number of votes against, if any:

	Number	% of the total
Votes cast	48,840,455	100.00%

	Number	% of the total
Votes against	16,017,535	32.80%
Votes in favour	17,428,624	35.68%
Abstentions	15,394,296	31.52%

E OTHER RELEVANT INFORMATION

If there are any significant aspects of Directors' remuneration which have not been mentioned in the previous sections of this report, but which should be included in the interests of providing comprehensive and reasoned information on the remunerative structure and practices of the company regarding its Directors, please provide details in brief.

There are no significant aspects related to remuneration for Company Directors that have not been outlined above.

This annual report on remunerations has been approved by the Company Board of Directors, in its meeting held on 14/02/2018.

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

Yes ☐ No ☒