

ANNEX 1

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

ISSUER'S IDENTIFICATION DATA

DATE OF FISCAL YEAR END

31/12/2017

CORPORATE TAX ID NO. (CIF)

A-28092583

CORPORATE NAME

TÉCNICAS REUNIDAS, S.A.

REGISTERED OFFICE

ARAPILES, 13, MADRID

TEMPLATE FOR ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

A COMPANY REMUNERATION POLICY FOR THE CURRENT YEAR

A.1 Explain the Company's remuneration policy. This heading will include information on the following:

- the principles and general bases underlying the remuneration policy;
- the most important changes to the remuneration policy with respect to that implemented during the previous fiscal year and any change in the terms and conditions of existing share made occurring during the year;
- the criteria used and composition of peer groups of companies whose remuneration policies have been examined in relation to the establishment of the company's remuneration policy;
- the relative importance of the variable and non-variable components and the criteria used to determine the different components of the directors' remuneration packages (remuneration mix).

Explain the remuneration policy

The Técnicas Reunidas, S.A. (the 'Company') remuneration policy is based on the following principles:

(i) recompense for the service, skills and responsibility required to exercise the office of director, offering incentives for service without compromising independence; (ii) remuneration for effective service as director; (iii) moderate remuneration based on market demands; (iv) attraction, retention and motivation of directors with outstanding professional profiles that are likely to help achieve the Company's strategic targets.

The criteria used to establish the remuneration policy for members of the Company's Board of Directors are set out in Article 22 of the Company's Articles of Association and Article 25 of the Regulations of the Board of Directors.

These articles set out that remuneration for members of the Board of Directors will comprise a maximum fixed amount to be determined for each fiscal year by resolution of the Annual General Meeting, which will be distributed between the directors by agreement of the Board of Directors, subject to approval by the Appointments and Remuneration Committee, based on their membership of Board committees, the positions they occupy and their work in the service of the Company. If the Annual General Meeting does not establish the specific distribution of the maximum overall remuneration between the members of the Board of Directors, the Board will distribute the amount referred to above between its members in the manner it considers appropriate.

Specifically, in accordance with the Company's internal regulations, directors and members of the committees will have the right to receive remuneration 'in their capacity as such' for the following items: (i) expenses for attending each meeting of the Board of Directors and/or of the various committees; and/or (ii) remuneration consisting of a fixed annual allocation, which will include an amount for membership of the Board of Directors and another amount for chairing each committee. Furthermore, in the specific case of remuneration for external directors, the Board of Directors will adopt all possible measures to ensure that their remuneration is in accordance with the following guidelines: (i) remuneration in accordance with effective service; (ii) exclusion of pension schemes financed by the Company for cases of termination of service, death or other reasons; and (iii) remuneration offering incentives for service without compromising independence.

During fiscal year 2018, the Company will continue applying the Directors' Remuneration Policy for the three-year period 2016-2018, approved at the General Meeting of Shareholders on 29/06/2016. This policy was drawn up following consideration of the remuneration policies for directors implemented by the Company's main international competitors as well as the situation of other Ibex 35 companies. At the same time, the Company will decide on whether to approve a total remuneration of €5,500,000 for the current year for the members of the Board of Directors 'in their capacity as such'.

With regard to the remuneration mix, the Company offers the Executive Directors: (i) a non-variable component; (ii) variable components of remuneration; (iii) pension schemes; and (iv) other conditions set out in the contracts of executive directors with senior management duties. The Company has not granted any share options.

Moreover, in relation to the mix of variable and non-variable components of the remuneration, the Company considers that the fixed remuneration for the Chairperson and the 1st Deputy Chairperson represents a significant proportion with respect to their total remuneration. Taking into account the total remuneration for the Chairperson (1,518 thousand euros) and for the 1st Deputy Chairperson (1,437 thousand euros) and the maximum amount to be received as a bonus (550 thousand euros), the variable remuneration in both cases would account for 38.27% and 36.24% of the total respectively. For the financial year 2018, according to the Directors' Remuneration Policy currently in force, the amounts to be received by the Executive Directors will be similar to those received in 2017, and the amount of their bonus of the Executive Directors will not exceed 40% of their total

remuneration.

The remuneration is in reasonable proportion to the Company's importance, its current financial situation and the market standards of comparable companies. In addition, the Company's remuneration policy aims to encourage long-term profitability and sustainability, including any necessary precautions for avoiding excessive risk-taking and the reward of unfavourable results.

A.2 Information concerning the preparatory and decision-making process used for determining the remuneration policy and the role played, if applicable, by the Remuneration Committee and other supervisory bodies in the determination of the remuneration policy. This will include information, where appropriate, about the mandate and the composition of the Remuneration Committee and the names of external consultants whose services have been used in determination of the remuneration policy. It will also indicate the categories of any directors who have been involved in determining the remuneration policy.

Explain the process for determining the remuneration policy
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In accordance with the provisions of the Company's internal regulations, the Annual General Meeting of Shareholders is the competent body responsible for approving the Company's remuneration policy, subject to approval by the Appointments and Remuneration Committee and at the proposal of the Board of Directors. Once the remuneration policy is approved by the Annual General Meeting of Shareholders, the allocation is subsequently agreed by the Board of Directors. The Appointments and Remuneration Committee is the body responsible for assisting the Board of Directors in matters of remuneration. It plays an important role in drafting the remuneration policy for directors, conducting internal assistance and proposal procedures, with the aim of ensuring alignment with the best practices of corporate governance and the regulations in force.

In particular, Article 30 of the Regulations of the Board of Directors of the Company attributes, among other functions, to the Appointments and Remuneration Committee the function of "proposing to the Board of Directors the policy of remuneration of the directors and of the general managers or of those who perform their functions of senior management under the direct dependence of the Board, or of the Executive Committee or the Managing Directors, as the case may be, as well as the individual remuneration and other conditions of the executive directors, ensuring their observance."

In this sense, the Appointments and Remuneration Committee is the body that assists the Board of Directors in remuneration matters, playing an important role in the preparation of the remuneration policy for directors, since it carries out an internal process of assistance and proposal, in order to ensure alignment with the best corporate governance practices and with the regulations in force.

In compliance with the provisions of Article 14(2) of the Regulations of the Board of Directors, the Appointments and Remuneration Committee has reported to the Board of Directors on the remuneration schemes and the amount of the annual remuneration for directors and senior management, which has been submitted to the Board of Directors for approval.

Regarding the composition of the Appointments and Remuneration Committee, the Articles of Association and the Regulations of the Board of Directors set out that the Company's Appointments and Remuneration Committee will comprise a minimum of three and a maximum of five directors, the majority of whom will be non-executive. The Articles of Association also stipulate that its Chairperson must be an independent director.

At the date of this report, the Committee comprises the following members, all of whom are external directors and the majority of whom are independent directors (including the Chairperson):

Fernando de Asúa Álvarez (Chairperson, independent director).

Diego del Alcázar y Silvela (Board member, independent director).

Javier Alarcó Canosa (Board member, shareholder director).

Francisco Javier Gómez-Navarro Navarrete (Board member, independent director).

Petra Mateos-Aparicio Morales (Board member, independent director).

In 2017, the director Javier Alarcó Canosa joined the Appointments and Remuneration Committee, replacing José Manuel Lladó Arburúa.

The Company's internal regulations also stipulate that the Committee will ordinarily meet once a year to prepare the information on directors' remuneration which will be approved and made public by the Board of Directors. Likewise, it will meet each time it is convened by the Chairperson, which must be done whenever the Board of Directors or the Chairperson of the Board requests the issuance of a report or the adoption of proposals and, in all cases, whenever it is appropriate for the satisfactory fulfilment of its duties.

In accordance with the provisions of the Regulations of the Board of Directors, the Appointments and Remuneration Committee has sought advice from external experts during 2017.

A.3 Indicate the amount and nature of the non-variable components, with a breakdown, where appropriate, of the remuneration for executive directors for the performance of senior-management duties, the additional remuneration for chairing or membership of a board committee, the expenses for participation on the board and its committees, and any other non-variable remuneration for directors, as well as an estimate of the fixed annual remuneration to which they give rise. Identify any other non-cash benefits and the main parameters and rationale on which they are based.

Explain the non-variable components of the remuneration

The next Annual General Meeting of Shareholders, to be held foreseeably in June 2018, will decide on whether to approve a total remuneration of 5,500,000 euros for members of the Board of Directors and its committees, allocated to the members of the Board of Directors for the joint fulfilment of their duties as directors in 2018. In accordance with the provisions of the Company's Articles of Association, this amount must be approved by the Annual General Meeting of Shareholders and distributed between the members of the Board of Directors by this body, based on their membership of committees, the positions they occupy, their work in the service of the Company and other appropriate objective circumstances.

For the year 2018 the Board of Directors has approved to maintain both the maximum total amounts, as well as the distribution among the different members of the Board of Directors, the Audit and Control Committee, the Appointments and Remuneration Committee and the Treasury and Risks Committee applied during the year 2017. In particular:

Fixed allocation -

- Membership of the Board of Directors: 55,478 euros a year.
- Serving as Chairperson of the Audit and Control Committee, the Appointments and Remuneration Committee or the Risk and Treasury Committee: 15,384 euros a year.

Expenses -

- Expenses for attending a meeting of the Board of Directors: 3,500 euros.
- Expenses for attending a meeting of the Audit and Control Committee: 3,500 euros.
- Expenses for attending a meeting of the Appointments and Remuneration Committee: 5,000 euros.
- Expenses for attending a meeting of the Risk and Treasury Committee: 2,500 euros.

In addition, the fixed allocation applicable to Adrián Lajous Vargas for his membership of the Board of Directors amounts to 200,000 euros a year. The justification for this different annual fixed allocation of Mr. Adrián Lajous Vargas is due to the objective circumstances linked to the particular contributions that Mr. Adrián Lajous Vargas can develop due to his qualifications and professional experience to the development of the Board's own collegial functions. In this sense, as evidenced by his curriculum vitae, available on the Company's website, in addition to the special situation derived from his residence in Mexico, his unique qualification and personal experience in the international field in the energy sector, particularly in Latam, is what gives a singular value, considering in this sense very relevant his vision as director, not only with respect to the functions of the Board in general, but in particular in relation to the strategic definition of the Company given his international experience.

The estimated fixed remuneration for executive directors for the fulfilment of senior management duties amounts to 850,000 euros in the case of the Chairperson and 800,000 euros in the case of the 1st Deputy Chairperson.

In addition, the executive directors receive bonuses in the form of life and accident insurance for a total amount of 33,896.16 euros and, finally, the Company made a contribution to the President's pension plan amounting to 4,000 euros during 2017, in application of the Company's general salary and social benefit system.

A.4 Explain the amount, the nature, and the main characteristics of the variable components of the remuneration schemes.

Specifically:

- Indicate each of the remuneration plans of which the directors are beneficiaries, their scope, their dates of approval and introduction, the period during which they are in force and their main characteristics. With regard to share option plans and other financial instruments, the description of each plan's general characteristics will include information on the conditions under which these options and financial instruments are exercised.
- Indicate all forms of remuneration paid in the form of profit sharing or bonus payments and the reason why they were granted.
- Explain the main parameters and rationale for any annual bonus scheme.
- Identify the categories of directors (executive directors, external shareholder directors, independent external directors, or other external directors) that are beneficiaries of remuneration schemes or plans which incorporate variable remuneration.
- Indicate the basis of these variable remuneration schemes or plans, the selected criteria for evaluating performance, as well as the components and methods used to determine whether the evaluation criteria have been met, and an estimate of the absolute amount of the variable remuneration which would result from the current remuneration plan, based on the degree of fulfilment of the assumptions and objectives that are used as benchmarks.

- Also provide information on any periods of deferral or postponement of payment that have been established and/or any periods of retention of shares or other financial instruments.

Explain the variable components of the remuneration schemes

The variable remuneration is limited to the Executive Directors, serving as a complement to their fixed remuneration and is paid once the year has ended, taking into consideration aspects such as: (i) the Company's order intake in that period; (ii) the backlog; (iii) the income, (iv) the profits and (v) the remuneration to the shareholder during said period, among others.

In particular, Mr. José Lladó Fernández-Urrutia, in his capacity as Chairman of the Company, and Mr. Juan Lladó Arburúa, in his capacity as Vice Chairman I, are beneficiaries of two variable remuneration plans of identical content. These plans were approved by the Board of Directors of the Company on May 12, 2015, following a favourable report from the Appointments and Remuneration Committee.

The plans detail a system of annual bonus for a maximum annual amount of 550,000 euros, which serves as a complement to the fixed remuneration attributed to the Chairman and the Vice Chairman I and which will be paid, following a review by the Appointments and Remuneration Committee, once the financial year is ended. This system, which was already implemented and executed in 2015, has as fundamental parameters the evaluation of the performance of both the professional performance of each Director and the performance of the Company during the corresponding year, taking into account, among others, the detailed aspects in the first paragraph.

The variable remuneration is linked to the achievement of the Company's annual objectives under the terms set out in the Remuneration Policy of the Directors of the Company, whose basic principles include, among others, to be focussed to promote the profitability and long-term sustainability of the Company.

The payment of the variable remuneration will be deferred and will only take place after the end of the year, for the purpose of the Company being able to carry out the evaluation and verification of compliance with the corresponding parameters.

In this regard, the Appointments and Remuneration Committee, when evaluating the level of compliance with the established quantitative objectives and determining as a consequence the variable remuneration that, where appropriate, will eliminate those economic effects, positive or negative, derived from extraordinary events that could introduce distortions in the results of the evaluation, in order to guarantee that the annual variable remuneration is effectively related to the performance of the beneficiaries during the corresponding year.

A.5 Explain the main characteristics of the long-term savings schemes, including retirement plans and any other survivor benefits which are financed either partially or wholly by the company and whether internally or externally provided, with an estimate of their value or equivalent annual cost, indicating the type of plan, whether it is a defined benefit or contribution scheme, the conditions governing the vesting of financial rights for directors, and its compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

Also indicate contributions to directors' defined contribution pension schemes or increases in directors' vested rights in the case of contributions to defined benefit schemes.

Explain the long-term savings schemes

During the year 2017, the Company made a contribution of 4,000 euros to the particular pension plan hired by the President, in application of the Company's general salary and social benefit system.

During fiscal year 2018, the general salary and social benefit system of the Company will continue to apply to the Executive Directors.

A.6 Indicate any compensation agreed or paid in connection with the termination of directors' activities.

Explain the compensation

At the date of this report, there are no golden handshake or compensation packages agreed by the Company in connection with the termination of directors' activities, regardless of the provisions with regard to executive directors in accordance with Section A.7.

A.7 Indicate the terms which must be included in the contracts of executive directors performing senior-management duties. This should include information on the duration of contracts, limits on amounts of compensation, minimum length of service clauses, notice periods and payment in lieu of notice periods, and any other clauses relative to signing bonuses, as well as compensation or golden handshake packages linked to early termination or termination of the contractual relationship between the company and the executive director. Include non-

compete agreements, exclusivity agreements, length of service or loyalty agreements, and post-contractual non-compete agreements.

Explain the terms of executive directors' contracts

Executive directors' contracts are of indefinite duration and provide for financial compensation in the event of their termination by the Company for reasons not related to breach of obligations, for an amount equivalent to twenty-four months of the fixed remuneration that they received at the time of the termination of the employment relationship, as compensation for the non-concurrence pact foreseen in said contract for a duration of two years, as well as the variable remuneration mentioned in section A.4 and the amount corresponding to two annuities of the Special Agreement with Social Security that, if applicable, the executive director subscribes as beneficiary thereof.

A.8 Explain any additional remuneration paid to directors for special services outside the scope of the usual functions of a director.

Explain the additional remuneration

At the date of this report, no additional remuneration has been paid to directors for special services outside the scope of the usual functions of a director, with the exception of director William Blaine Richardson, as outlined in Section A.12.

A.9 Indicate any remuneration by way of loans, advance payments and guarantees, indicating the interest rate, main characteristics, amounts repaid and obligations in the form of guarantees undertaken on their behalf.

Explain the loans, advance payments and guarantees granted

At the date of this report, no remuneration has been made to directors by way of loans, advance payments or guarantees.

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

Explain the remuneration in kind

Remuneration in kind is available exclusively to executive directors, and is of little significance, given that it is limited to life and accident insurance premiums to the combined amount of 33,896.16 euros during fiscal year 2017 and a contribution to the President's private pension plan amounting to 4,000 euros during this same period, in application of the Company's general salary and social benefits system.

During fiscal year 2018, life and accident insurance and Company's general salary and social benefits system will continue to be applied to the Executive Directors in the same terms applied in previous years.

A.11 Indicate the remuneration received by directors in virtue of payments made by the listed company to third-party entities in which directors render their services, when the purpose of these payments is to pay directors for services provided to the company.

Explain the remuneration received by directors in virtue of payments made by the listed company to third-party entities in which directors render their services

No payments of this kind have been made.

A.12 Indicate any other component of remuneration besides those above, regardless of its nature and the entity providing it, particularly when it involves a related-party transaction or its issuance distorts the true and fair view of the total remuneration received by the director.

Explain the other components of remuneration

There are no other components of remuneration besides those above, without prejudice to the existence of related-party transactions with executive directors or with the director William Blaine Richardson, as detailed in the Company's Annual Corporate Governance Report, annual financial statements and half-yearly financial reporting. Specifically, the Company has signed a consultancy contract with the director William Blaine Richardson, through which he received 306,098.16 euros in 2017.

A.13 Explain the actions taken by the company with regard to the remuneration scheme in order to reduce exposure to excessive risks and adjust it to the company's long-term objectives, values and interests. This will include, where applicable, reference to: measures to ensure that the company's long-term results are taken into account in the remuneration policy; measures to establish an appropriate balance between the fixed and variable components of remuneration; measures adopted in connection with any categories of personnel whose professional activities have a material impact on the entity's risk profile; provisions that permit the company to reclaim variable components of remuneration that were awarded on the basis of information which subsequently proved to be manifestly misstated; and measures to prevent any conflicts of interest.

Explain the actions taken to reduce risks

During the process of drawing up and approving the remuneration schemes for directors, the Company has introduced measures to control excessive risks and to adapt the schemes to the Company's long-term objectives, values and interests. The Appointments and Remuneration Committee is responsible for the supervision and ongoing review of the remuneration policy for directors, since it is responsible for reporting on the schemes and the amount of annual remuneration for directors and senior management and for compiling the information to be included in the annual public report on directors' remuneration. At the same time, the Board of Directors is responsible for approving the Company's general strategies and policies and for certain operational decisions, such as the remuneration policy and the performance evaluation of senior management, directors' remuneration and, in the case of executives, additional remuneration for their executive duties and the approval of their contracts and the risk management policy.

As a result of the above, the Company's remuneration schemes for directors are necessarily designed to include measures to control excessive risks, given that (i) directors' remuneration is limited to a fixed annual allocation and to expenses for attending meetings of the Board of Directors and the various committees, whose annual maximum amount is approved by the Annual General Meeting; (ii) variable components of the remuneration are restricted to executive directors; (iii) the Company's current shareholding structure ensures that the interests of the Company and of the executive directors are aligned.

In addition to the above, the variable remuneration outlined in Section A.4 above diversifies the remuneration package offered to the Chairperson and the 1st Deputy Chairperson through the inclusion of a bonus which is supplementary to the fixed remuneration, paid once the fiscal year has ended. The Company considers that this measure ensures a balance between the different forms of remuneration and, at the same time, covers the elements essential to the Company's achievement of its long-term objectives, given that many of its projects have a multi-year implementation period.

With regard to potential conflicts of interest, the Regulations of the Board of Directors stipulate that any conflicts of interest must be reported to the Board by the concerned parties, who will refrain from involvement in the corresponding transaction.

B PROJECTED REMUNERATION POLICY FOR FUTURE FISCAL YEARS

Section withdrawn.

C OVERVIEW OF IMPLEMENTATION OF THE REMUNERATION POLICY DURING THE LAST FISCAL YEAR

C.1. Summarise the main characteristics of the structure and components of the remuneration policy implemented during the last fiscal year and which provides the basis for the breakdown of the individual remuneration packages for each of the directors listed in Section D of this report. Also, provide a summary of the decisions taken by the board for the application of these components.

Explain the structure and components of the remuneration policy implemented during the fiscal year

The remuneration received by the directors during fiscal year 2017 is consistent with the established remuneration policy since, following the approval of the Appointments and Remuneration Committee and at the proposal of the Board of Directors, the maximum gross annual amount of the fixed amount established as statutory remuneration for the Board of Directors as a whole was set at 5,500,000 euros by the Annual General Meeting of Shareholders on 29 June 2017.

By virtue of the delegation of powers by the Annual General Meeting of Shareholders, subject to a report from the Appointments Committee, the Company's Board of Directors agreed to the following distribution of the total amount of directors' remuneration 'in their capacity as such':

1. Fixed allocation -

(a) Membership of the Board of Directors: 55,478 euros a year for membership of the Board of Directors (included in the third column of Table D.1.a.i: 'Fixed remuneration').

As an exception to the above, it was agreed that Adrian Lajous Vargas would be entitled to receive a fixed annual allocation of 200,000 euros. As mentioned before, this difference in remuneration is justified by the undertaking by Adrian Lajous Vargas of specific reporting duties to the Board of Directors on matters relating to the energy sector and in providing support in defining the Company's strategy.

(b) Chairing of committees: 15,384 euros a year (included in the seventh column of Table D.1.a.i: 'Remuneration for membership of Board committees').

2. Expenses -

(a) Board of Directors: members of the Board of Directors have received expenses of 3,500 euros for each meeting of the Board of Directors.

(b) Audit and Control Committee: members of the Audit and Control Committee have received expenses of 3,500 euros for each meeting of this Committee (included in the seventh column of Table D.1.a.i: 'Remuneration for membership of Board committees').

(c) Appointments and Remuneration Committee: members of the Appointments and Remuneration Committee have received expenses of 5,000 euros for each meeting of this Committee (included in the seventh column of Table D.1.a.i: 'Remuneration for membership of Board committees').

(d) Risk and Treasury Committee: members of the Risk and Treasury Committee have received expenses of 2,500 euros for each meeting of this Committee (included in the seventh column of Table D.1.a.i: 'Remuneration for membership of committees' - in this case reporting to the Office of the Chairperson).

With regard to the remuneration for executive directors, the Appointments and Remuneration Committee has approved the fixed remuneration for 2017 and, following a verification of the accomplishment of the goals required for the variable remuneration, the criteria for variable remuneration for 2017 (included in the second and fifth columns of Table D.1.a.i: 'Salary' and 'Short-term variable remuneration', respectively). In this regard, the total remuneration received by the Chairman amounted to 1,518 thousand euros and by Vice President I to 1,437 thousand euros and the maximum amount to be received from variable compensation amounted to 550 thousand euros, so the variable remuneration of the fiscal year 2017 in both cases accounted for around 38.27% and 36.24% of the total, respectively.

Regarding pension schemes, these have been applied to executive directors through their integration into the Company's general salary and social benefits system, which in 2017 has meant life and accident insurance premiums for a total amount of 33,896 euros and contribution to the pension plan of 4,000 euros (included in the ninth column of Table D.1.a.i: 'Other items').

With regard to the main terms of the contracts of executive directors performing senior-management duties, the application of the criteria included in the remuneration policy has continued without change.

D BREAKDOWN OF INDIVIDUAL REMUNERATION PACKAGES FOR EACH OF THE DIRECTORS

Name	Category	Period corresponding to payment FY 2017
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	Executive director	01/01/2017 to 31/12/2017
JUAN LLADÓ ARBURÚA	Executive director	01/01/2017 to 31/12/2017
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	Independent director	01/01/2017 to 31/12/2017
FERNANDO DE ASÚA ÁLVAREZ	Independent director	01/01/2017 to 31/12/2017
DIEGO DEL ALCÁZAR Y SILVELA	Independent director	01/01/2017 to 31/12/2017
ÁLVARO GARCÍA-AGULLÓ LLADÓ	Shareholder director	01/01/2017 to 31/12/2017
JOSÉ MANUEL LLADÓ ARBURÚA	Shareholder director	01/01/2017 to 31/12/2017
FRANCISCO JAVIER GÓMEZ-NAVARRRO NAVARRETE	Independent director	01/01/2017 to 31/12/2017
JAVIER ALARCÓ CANOSA	Independent director	01/01/2017 to 31/12/2017
PEDRO LUIS URIARTE SANTAMARINA	Independent director	01/01/2017 to 31/12/2017
PETRA MATEOS-APARICIO MORALES	Independent director	01/01/2017 to 31/12/2017
ADRIÁN RENÉ LAJOUS VARGAS	Independent director	01/01/2017 to 31/12/2017
WILLIAM BLAINE RICHARDSON	Other external director	01/01/2017 to 31/12/2017

D.1 Complete the following tables with respect to the individual remuneration packages for each of the directors (including remuneration for the performance of executive duties) during the fiscal year.

a) Remuneration within the company that is the subject of this report:

i) Remuneration in cash (in thousands of €)

Name	Salary	Fixed remuneration	Expenses	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership of Board committees	Compensation	Other items	Total FY 2017	Total FY 2016
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	850	55	28	550	0	0	0	30	1,518	1,281
JUAN LLADÓ ARBURÚA	800	55	28	550	0	0	0	4	1,437	1,352
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	0	55	28	0	0	36	0	0	119	113
FERNANDO DE ASÚA ÁLVAREZ	0	55	28	0	0	86	0	0	169	174
DIEGO DEL ALCÁZAR Y SILVELA	0	55	28	0	0	36	0	0	119	117
JAVIER ALARCÓ CANOSA	0	55	28	0	0	30	0	0	113	113
ÁLVARO GARCÍA-AGULLÓ LLADÓ	0	55	28	0	0	36	0	0	119	113
PETRA MATEOS-APARICIO MORALES	0	55	28	0	0	30	0	0	113	91
JOSÉ MANUEL LLADÓ ARBURÚA	0	55	28	0	0	31	0	0	114	112
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	0	55	28	0	0	25	0	0	108	112
PEDRO LUIS URIARTE SANTAMARINA	0	55	28	0	0	76	0	0	159	159
WILLIAM BLAINE RICHARDSON	0	55	28	0	0	0	0	306	389	408
ADRIÁN RENÉ LAJOUS VARGAS	0	200	28	0	0	0	0	0	228	117

ii) Share-based remuneration schemes

iii) Long-term savings schemes

b) Remuneration due to the directors of the Company for their membership of boards of other companies in the group:

i) Remuneration in cash (in thousands of €)

Name	Salary	Fixed remuneration	Expenses	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership of Board committees	Compensation	Other items	Total FY 2017	Total FY 2016
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	0	0	0	0	0	0	0	0	0	0
JUAN LLADÓ ARBURÚA	0	0	0	0	0	0	0	0	0	0
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	0	0	0	0	0	0	0	0	0	0
FERNANDO DE ASÚA ÁLVAREZ	0	0	0	0	0	0	0	0	0	0
DIEGO DEL ALCÁZAR Y SILVELA	0	0	0	0	0	0	0	0	0	0
JAVIER ALARCÓ CANOSA	0	0	0	0	0	0	0	0	0	0
ÁLVARO GARCÍA-AGULLÓ LLADÓ	0	0	0	0	0	0	0	0	0	0
PETRA MATEOS-APARICIO MORALES	0	0	0	0	0	0	0	0	0	0
JOSÉ MANUEL LLADÓ ARBURÚA	0	0	0	0	0	0	0	0	0	0
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	0	0	0	0	0	0	0	0	0	0
PEDRO LUIS URIARTE SANTAMARINA	0	0	0	0	0	0	0	0	0	0
WILLIAM BLAINE RICHARDSON	0	0	0	0	0	0	0	0	0	0
ADRIÁN RENÉ LAJOUS VARGAS	0	0	0	0	0	0	0	0	0	0

ii) Share-based remuneration schemes

iii) Long-term savings schemes

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

This summary must include all the amounts corresponding to the components of remuneration included in this report which have been paid to directors, in thousands of euros.

Contributions and allowances in relation to long-term savings schemes will be included.

Name	Remuneration paid within the Company				Remuneration paid within companies in the group				Totals		
	Total cash remuneration	Value of shares awarded	Gross margin on options exercised	Total FY 2017 for the Company	Total cash remuneration	Value of shares awarded	Gross margin on options exercised	Total FY 2017 for the group	Total FY 2017	Total FY 2016	Contribution to savings schemes during the year
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	1,518	0	0	1,518	0	0	0	0	1,518	1,281	0
JUAN LLADÓ ARBURÚA	1,437	0	0	1,437	0	0	0	0	1,437	1,352	0
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	119	0	0	119	0	0	0	0	119	113	0
FERNANDO DE ASÚA ÁLVAREZ	169	0	0	169	0	0	0	0	169	174	0
DIEGO DEL ALCÁZAR Y SILVELA	119	0	0	119	0	0	0	0	119	117	0
JAVIER ALARCÓ CANOSA	113	0	0	113	0	0	0	0	113	113	0
ÁLVARO GARCÍA-AGULLÓ LLADÓ	119	0	0	119	0	0	0	0	119	113	0
PETRA MATEOS-APARICIO MORALES	113	0	0	113	0	0	0	0	113	91	0
JOSÉ MANUEL LLADÓ ARBURÚA	114	0	0	114	0	0	0	0	114	112	0
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	108	0	0	108	0	0	0	0	108	112	0
PEDRO LUIS URIARTE SANTAMARINA	159	0	0	159	0	0	0	0	159	159	0
WILLIAM BLAINE RICHARDSON	389	0	0	389	0	0	0	0	389	408	0
ADRIÁN RENÉ LAJOUS VARGAS	228	0	0	228	0	0	0	0	228	117	0
TOTAL	4,705	0	0	4,705	0	0	0	0	4,705	4,262	0

D.2 Provide information on the relationship between the remuneration received by directors and the company's results or other measures of performance, explaining, where applicable, how any fluctuations in the company's performance have impacted on directors' remuneration.

The remuneration obtained by the Directors and, in particular, by the Executive Directors, is linked to the results and other performance measures of the Company, since the variable remuneration to be received by the Executive Directors is determined based on parameters linked to the performance of the Company.

First of all, we must highlight the increase in the volume of awards for 2017 with respect to 2016. It has meant an increase of 58%, from 2,922 to 4,624 million euros.

Thanks to these awards, the portfolio level of 2016 has been maintained, increasing its volume by 6%, from 11,100 to 11,800 million dollars. Only due to the depreciation of the dollar against the euro, the year ended with a final portfolio of 9,870 million euros.

Similarly, the evolution of revenues continues to increase during the last 4 years, closing 2017 with a growth of 6%, to 5,068 million euros.

Finally, the operating profit amounts to 100 million euros, with an operating margin of 2.0%.

D.3 Provide information about the result of the advisory vote at the annual general meeting on the annual remuneration report from the previous fiscal year, indicating the number of votes cast against:

	Number	% of total
Votes cast	34,254,274	61.28%

	Number	% of total
Votes against	608,576	1.78%
Votes in favour	33,645,598	98.22%
Abstentions	100	0.00%

E OTHER RELEVANT INFORMATION

If there are any relevant aspects of directors' remuneration which have not been included in the previous sections of this report but whose inclusion is necessary in order to provide complete and reasoned information on the company's remuneration practices and structure with regard to its directors, provide a brief outline below.

Note 2 to section D.1.a.i

This includes expenses for attending an Internal Risk and Treasury Committee, comprising directors Pedro Luis Uriarte Santamarina, Fernando de Asúa Alvarez, Diego del Alcázar y Silvela, Petra Mateos-Aparicio Morales and other managers and/or directors of the group.

This annual remuneration report was approved by the Company's Board of Directors at its meeting on 26/02/2018.

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

Yes

No