

ANNEX 1

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

ISSUER'S IDENTIFICATION DATA

DATE OF END OF YEAR OF REFERENCE	31/12/2016
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COMPANY TAX CODE (CIF)	A-28092583
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COMPANY NAME
TÉCNICAS REUNIDAS, S.A.

COMPANY ADDRESS
CALLE 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 options 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 policy determined by 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 the pension schemes financed by the Company for cases of termination of service, death or other reasons; (iii) remuneration offering incentives for service without compromising independence; (iv) remuneration without prejudice to any additional amounts directors may receive as fees or salary, based on the provision of professional services or employment relationships with the Company, as applicable.

During fiscal year 2016, the remuneration policy has not undergone any significant changes with respect to that implemented during fiscal year 2015. Notwithstanding the above, the Company submitted a remuneration policy for directors for the three-year period 2016-2018 for the consideration of the Annual General Meeting of Shareholders on 29/06/2016. This was approved with a percentage of votes against of 0.099% of shareholders present or represented. 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 Ixex 35 companies.

Furthermore, at the date of this report the Company does not intend to introduce any major changes in 2017 to the basic principles of the remuneration policy for directors which are described in this report and which were implemented during the previous year. As a result, the Annual General Meeting of Shareholders 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 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 (1,281 thousand euros) and for the 1st Deputy Chairperson (1,352 thousand euros) and the maximum amount to be received as a bonus (550 thousand euros), the variable remuneration in both cases would account for 30% and 29% of the total respectively.

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 used for determining the remuneration policy

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 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.

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 31 December 2016, 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)
- José Manuel Lladó Arburúa (Board member, shareholder director)
- Francisco Javier Gómez-Navarro Navarrete (Board member, independent director)
- Petra Mateos-Aparicio Morales (Board member, independent director).

In 2016, the director Petra Mateos-Aparicio joined the Appointments and Remuneration Committee, taking the place of Antonio de Hoyos.

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. The Appointments and Remuneration Committee met 6 times in 2016.

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 2016, when determining the remuneration policy and on other occasions.

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
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The Annual General Meeting of Shareholders, to be held in June 2017, 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 2017.

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.

This amount will be broken down as follows:

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 Internal 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 Internal Risk and Treasury Committee: 2,500 euros.

For the purposes of information, during fiscal year 2016, the Board of Directors met eight times, the Audit and Control Committee met ten times, the Appointments and Remuneration met six times and the Internal Risk and Treasury Committee met six times.

In addition, and as an exception to the above, the fixed allocation applicable to Adrian Lajous Vargas for his membership of the Board of Directors amounts to 200,000 euros a year. 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.

The estimated 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 31,015 euros.

The Board of Directors has approved that the total maximum amounts and the distribution between the different members of the Board of Directors, the Audit and Control Committee, the Appointments and Remuneration Committee and the Internal Risk and Treasury Committee for fiscal year 2016 be maintained in fiscal year 2017.

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

In 2016, there are two variable remuneration plans with identical content, which apply to José Lladó Fernández-Urrutia, in his capacity as Chairperson of the Company, and to Juan Lladó Arburúa, in his capacity as 1st Deputy Chairperson. These plans were approved by the Company's Board of Directors on 12 May 2015, following approval by the Appointments and Remuneration Committee.

The plans include an annual bonus scheme with a maximum annual amount of 550,000 euros for fiscal year 2016, which is supplementary to the fixed remuneration payable to the Chairperson and the 1st Deputy Chairperson, to be paid once the fiscal year ends.

The main parameters of this scheme, which was first implemented during fiscal year 2015, include the evaluation of the Company's performance during 2016, taking into consideration elements such as the Company's contracting during this period, the state of the order book, its income, profit, and shareholder remuneration during this period. The variable remuneration components for the executive directors are set out in their corresponding contracts, in accordance with Article 249(4) of the Companies Act.

Variable remuneration is limited to directors with executive duties.

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

In 2016, the Company has not made any contributions to directors' pension schemes and has no plans to do so in 2017.

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. This payment is equivalent to two years' gross salary as stipulated in the contract, as compensation in relation to the non-compete agreement set out in the contract, which is effective for two years.

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
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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 that involve non-standard or non-commercial terms.

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 31,015 euros during fiscal year 2016.

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 six-monthly financial reporting. Specifically, the Company has signed a consultancy contract with the director William Blaine Richardson through which he received 325,708.25 euros in 2016.

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 data 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 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 annual bonus 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

Revoked.

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 2016 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 2016.

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. Taking into account that he was appointed at the Annual General Meeting of Shareholders on 29 June 2016, the corresponding fixed allocation amounted to 100,000 euros (included in the third column of Table D.1.a.i). 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 with effect from the meeting held on 11 May 2016. Expenses for attendance at meetings of the Board of Directors were previously set at 2,500 euros for each meeting (included in the fourth column of Table D.1.a.i: 'Remuneration for membership of Board committees').

(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 with effect from the meeting held on 11 May 2016. Expenses for attendance at meetings of the Audit and Control Committee were previously set at 2,500 euros for each meeting (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) Internal Risk and Treasury Committee: Members of the Internal 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 2016 and the criteria for variable remuneration for 2016 (included in the second and fifth columns of Table D.1.a.i: 'Salaries' and 'Short-term variable remuneration', respectively).

Pension schemes have been applied to executive directors by means of their incorporation into the Company's general salaries and social benefits scheme, entailing life and accident insurance premiums to the amount of 30,015 euros in 2016 (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.

The structure and components of the remuneration policy implemented during fiscal year 2016 are those described above in Section A, and include the following points:

- The distribution of non-variable components is intended to allocate a range of amounts depending on whether directors are members of the Board's delegated bodies, their position in the delegated body and, more generally, their involvement in management tasks and service to the Company.
- To date, variable components have been received only by the Chairperson and the 1st Deputy Chairperson (executive director), and this variable remuneration reflects their performance and impact on the Company's results, with the aim of ensuring repetition of these results in subsequent fiscal years.
- With regard to pension schemes, the Company contributes the amounts indicated in Sections A.10 and D.1(i) to the life insurance policies of each of the executive directors.
- The contracts of executive directors performing senior-management duties stipulate all the components through which they can receive remuneration for the performance of executive duties, including compensation for early termination of these duties, and the main terms of their remuneration.

D BREAKDOWN OF INDIVIDUAL REMUNERATION PACKAGES FOR EACH OF THE DIRECTORS

Name	Category	Period corresponding to payment FY 2016
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	Executive director	01/01/2016 to 31/12/2016
JUAN LLADÓ ARBURÚA	Executive director	01/01/2016 to 31/12/2016
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	Independent director	01/01/2016 to 31/12/2016
FERNANDO DE ASÚA ÁLVAREZ	Independent director	01/01/2016 to 31/12/2016
DIEGO DEL ALCÁZAR Y SILVELA	Independent director	01/01/2016 to 31/12/2016
ÁLVARO GARCÍA-AGULLÓ LLADÓ	Shareholder director	01/01/2016 to 31/12/2016
JOSÉ MANUEL LLADÓ ARBURÚA	Shareholder director	01/01/2016 to 31/12/2016
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	Independent director	01/01/2016 to 31/12/2016
JAVIER ALARCÓ CANOSA	Independent director	01/01/2016 to 31/12/2016
PEDRO LUIS URIARTE SANTAMARINA	Independent director	01/01/2016 to 31/12/2016
PETRA MATEOS-APARICIO MORALES	Independent director	29/02/2016 to 31/12/2016
ADRIÁN RENÉ LAJOUS VARGAS	Independent director	29/06/2016 to 31/12/2016
WILLIAM BLAINE RICHARDSON	Other external director	01/01/2016 to 31/12/2016
ANTONIO DE HOYOS GONZÁLEZ	Independent director	01/01/2016 to 28/02/2016

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 2016	Total FY 2015
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	850	55	27	321	0	0	0	28	1,281	665
JUAN LLADÓ ARBURÚA	800	55	27	467	0	0	0	3	1,352	1,192
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	0	55	27	0	0	31	0	0	113	98
FERNANDO DE ASÚA ÁLVAREZ	0	55	27	0	0	92	0	0	174	133
DIEGO DEL ALCÁZAR Y SILVELA	0	55	27	0	0	35	0	0	117	93
JAVIER ALARCÓ CANOSA	0	55	27	0	0	31	0	0	113	98
ÁLVARO GARCÍA-AGULLÓ LLADÓ	0	55	27	0	0	31	0	0	113	98
PETRA MATEOS-APARICIO MORALES	0	42	24	0	0	25	0	0	91	0
JOSÉ MANUEL LLADÓ ARBURÚA	0	55	27	0	0	30	0	0	112	93
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	0	55	27	0	0	30	0	0	112	93
PEDRO LUIS URIARTE SANTAMARINA	0	55	27	0	0	77	0	0	159	113
WILLIAM BLAINE RICHARDSON	0	55	27	0	0	0	0	326	408	330
ADRIÁN RENÉ LAJOUS VARGAS	0	100	17	0	0	0	0	0	117	0
ANTONIO DE HOYOS GONZÁLEZ	0	13	3	0	0	5	0	0	21	93

ii) Share-based remuneration schemes

iii) Long-term savings schemes

iv) Other benefits (in thousands of €)

JOSÉ LLADÓ FERNÁNDEZ-URRUTIA			
Remuneration by way of loans or advance payments			
Interest rate		Main characteristics	Amounts repaid
0.00		N/A	N/A
Life insurance premiums		Guarantees extended by the company to the directors	
FY 2016	FY 2015	FY 2016	FY 2015
31	3	N/A	N/A

JUAN LLADÓ ARBURÚA			
Remuneration by way of loans or advance payments			
Interest rate		Main characteristics	Amounts repaid
0.00		N/A	N/A
Life insurance premiums		Guarantees extended by the company to the directors	
FY 2016	FY 2015	FY 2016	FY 2015
3	3	N/A	N/A

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 2016	Total FY 2015
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
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	0	0	0	0	0	0	0	0	0	0
JAVIER ALARCÓ CANOSA	0	0	0	0	0	0	0	0	0	0
JOSÉ MANUEL LLADÓ ARBURÚA	0	0	0	0	0	0	0	0	0	0
ÁLVARO GARCÍA-AGULLÓ LLADÓ	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
PETRA MATEOS-APARICIO MORALES	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 2016 for the Company	Total cash remuneration	Value of shares awarded	Gross margin on options exercised	Total FY 2016 for the group	Total FY 2016	Total FY 2015	Contribution to savings schemes during the year
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	1,281	0	0	1,281	0	0	0	0	1,281	665	0
JUAN LLADÓ ARBURÚA	1,352	0	0	1,352	0	0	0	0	1,352	1,192	0
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	113	0	0	113	0	0	0	0	113	98	0
FERNANDO DE ASÚA ÁLVAREZ	174	0	0	174	0	0	0	0	174	133	0
DIEGO DEL ALCÁZAR Y SILVELA	117	0	0	117	0	0	0	0	117	93	0
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	112	0	0	112	0	0	0	0	112	93	0
JAVIER ALARCÓ CANOSA	113	0	0	113	0	0	0	0	113	98	0
JOSÉ MANUEL LLADÓ ARBURÚA	112	0	0	112	0	0	0	0	112	93	0
ÁLVARO GARCÍA-AGULLÓ LLADÓ	113	0	0	113	0	0	0	0	113	98	0
PEDRO LUIS URIARTE SANTAMARINA	159	0	0	159	0	0	0	0	159	113	0
ADRIÁN RENÉ LAJOUS VARGAS	117	0	0	117	0	0	0	0	117	0	0
PETRA MATEOS-APARICIO MORALES	91	0	0	91	0	0	0	0	91	0	0
WILLIAM BLAINE RICHARDSON	408	0	0	408	0	0	0	0	408	330	0
ANTONIO DE HOYOS GONZÁLEZ	21	0	0	21	0	0	0	0	21	93	0
TOTAL	4,283	0	0	4,283	0	0	0	0	4,283	3,099	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 Company's results have remained fairly stable during FY 2016 with respect to previous fiscal years. Notwithstanding the above, the data for the Company's performance during this period are positive, as a result of which the Company has decided to maintain the annual variable remuneration scheme implemented during fiscal year 2016 for the Chairperson and the 1st Deputy Chairperson.

Specifically, the Company's order book figure has reached 10,500 million euros. Furthermore, the distribution of orders by geographical area and by client maintains its balance, following the successful implementation of a diversification strategy.

At the same time, the average value of the Company's annual contract awards during the last three fiscal years exceeds 4,400 million euros.

As a result of the Company's satisfactory results, the overall amount of annual dividends paid out during each of the most recent fiscal years stands at 75 million euros.

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	34,444,464	61.62%

	Number	% of total
Votes against	52,522	0.15%
Votes in favour	34,388,630	99.84%
Abstentions	3,312	0.01%

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 structure and remuneration practices with regard to its directors, provide a brief outline below.

Note 1 to section D.1.a.i

The variable remuneration which 1st Deputy Chairperson Juan Lladó Arburúa received during fiscal year 2016 corresponds to the combined application of the variable remuneration plan adopted on 12 May 2015 and the prior variable remuneration plan, in proportion to the time that each them were in force.

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 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 27/02/2017.

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

Yes ☐

No ☒