

**ANNEX I TEMPLATE
ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF
LISTED COMPANIES**

ISSUER'S PARTICULARS

END OF FINANCIAL YEAR

31 December 2020

Tax ID: **A- 87471264**

Registered name:

METROVACESA, S.A.

Registered offices:

C/ QUINTANAVIDES, 13, 28050, MADRID (SPAIN)

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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

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

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

In any event, the following aspects should be reported:

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

The Company's Director Remuneration Policy (the "**Remuneration Policy**"), effective in 2018-2020, was approved by the General Meeting of Shareholders on 19 December 2017, but entered into force when the Company's shares were admitted for trading on 6 February 2018. It was partially modified at the General Meeting of Shareholders on 19 June 2018.

The 2021 Ordinary General Meeting of Shareholders will approve a new Director Remuneration Policy (the New Remuneration Policy) for 2021, 2022 and 2023. On the date of issuing this report, it had received a favourable opinion from the Appointments and Remuneration Committee (ARC) on 18 February 2021 and had been approved by the Board of Directors on 22 February. Both endorsements are provisional, but no material changes are expected prior to its being submitted to the General Meeting of Shareholders. A new Long-Term Incentive Plan for 2021-2023 ("New LTIP") will be presented at the 2021 General Meeting.

The main aspects of the New Remuneration Policy and the New LTIP to be submitted for approval at the 2021 General Meeting (although non-material adjustments cannot be ruled out) are as follows:

A. Principles of the New Remuneration Policy: transparency, consistency with market best practices, fairness and proportionality, competitiveness, independence of criteria, compatibility of remunerations with the performance of their duties, long-term sustainability and equilibrium.

B. Differentiation of remuneration to directors in their capacity as such and remuneration to directors for their performance of executive duties.

C. The **remuneration to directors in their capacity as such** consists of an annual fixed cash allowance. Nevertheless, there is provision for the possibility of directors receiving severance compensation or their being remunerated in shares or options on shares, with reference to the share value or another variable. The Company shall pay the directors' civil liability insurance premium.

The Board of Directors establishes the criteria to determine the amounts that correspond to each director, considering the following factors: (i) the director's category; (ii) the director's role on the Board and Committees; (iii) specific tasks

and responsibilities; (iv) experience and know-how; (v) time and dedication; and (vi) other significant objective circumstances.

Directors may also receive remuneration for services other than those inherent to their position, in order to encourage and reward their involvement and performance in certain operations or in the configuration, preparation, negotiation and/or execution of significant corporate transactions.

The General Meeting of 19 June 2018 set the maximum annual amount to be paid to all directors in their capacity as such at €2,000,000 gross per annum, and this provision will remain in force until the General Meeting amends it.

D. In relation to **executive directors** (there is currently only one - the Chief Executive Officer), the General Meeting of 19 June 2018 set the maximum amount for the performance of executive duties at €4,000,000 per annum, excluding severance compensation. This cap shall remain in force until the General Meeting resolves to change it. The items of remuneration to the Chief Executive Officer are as follows:

d.1 Fixed annual remuneration.

d.2 Variable remuneration, which may be: (i) annual variable remuneration ranging, as a general rule, between 0% and a maximum of 75% of the fixed salary, linked to performance indicators related to Company variables; and (ii) the New LTIP, to be received after a period of time has elapsed, conditional upon the Chief Executive Officer's continued tenure in the Company and the fulfilment of certain objectives. It is split between a cash amount (50%) and shares in the Company (50%). It will also apply to the management team.

d.3 Remuneration in kind, which includes the availability of a company car, a life, accident and disability insurance policy, a private healthcare insurance policy and, where appropriate, the benefits schemes agreed by the Board of Directors.

d.4 The Chief Executive Officer participates in the Special Savings Plan which runs from 1 January 2018 to 31 December 2032.

d.5 Finally, the Board may introduce new long-term incentive plans. If it includes the delivery of shares, share options or remuneration linked to the value of the shares, this must be agreed by the General Meeting (art. 219 of the Corporate Enterprises Act – LSC).

The law firm Garrigues provided external advice in the preparation of the New Remuneration Policy and the New LTIP.

In general, the bodies involved in the Remuneration Policy are: (i) the General Meeting, which approves it and sets the maximum annual amount to be received by the directors in their capacity as such; (ii) the Board of Directors, which determines the specific amount to be received by each director, who receives it, the frequency and form of payment, and sets the remuneration of the Chief Executive Officer and his contract; and (iii) the ARC, which is involved in determining the remuneration of the directors, proposes the individual remuneration and other conditions of the Chief Executive Officer to the Board, and also periodically reviews the Remuneration Policy.

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

Furthermore, state whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and vested financial instruments, or if any clause has been agreed to reduce the deferred

remuneration not yet vested or that obliges the director to return remuneration received, when such remuneration has been based on data that have proved to be manifestly inaccurate.

The Ordinary General Meeting in 2021 must approve the New Remuneration Policy for the financial years 2021-2023, although the following variable aspects are not expected to change substantially.

A. Remuneration mix of directors in their capacity as such.

The directors, in their capacity as such, shall only receive fixed remuneration, although there is provision for the possibility of their receiving termination benefits and their being compensated through shares, share options or remuneration linked to the value of the shares, provided this has been approved at the General Meeting of Shareholders.

B. Remuneration mix of the Chief Executive Officer.

As regards the remuneration mix of the Chief Executive Officer for the performance of executive duties, a distinction is made between a fixed annual remuneration component and a variable remuneration component, which in turn is comprised of an annual variable remuneration component and a long-term variable remuneration component. Only executive directors enjoy variable components in their compensation.

The objectives to which the annual variable remuneration is linked are, among other possible objectives: (i) residential development project launches; (ii) residential unit deliveries; (iii) commercial unit sales; (iv) land transformation targets; (v) land sales; and (vi) tertiary project launches.

The New LTIP is made up of three independent cycles, each with a three-year period for assessing objectives (the first starting on 1 January 2021 and the last ending on 31 December 2025).

The objectives of the first cycle and their respective weightings are as follows: (i) cash flow generation (50%); (ii) launches (10%); (iii) deliveries (20%); and (iv) total shareholder return (TSR): absolute (10%) and relative measured against comparable peers (10%). For this first cycle, a minimum threshold is set below which no accrual will occur; a target level corresponding to a 100% achievement rate; and a maximum level, if the achievement rate is above 100% and up to a maximum of 150% for cash flow generation, launches and deliveries targets and 100% for TSR, both absolute and relative.

The maximum incentive that the Chief Executive Officer may receive in each of the three cycles is €975,000.

The remaining cycles of the previous long-term incentive plan for the period 2018-2020 (**the 2018-2020 LTIP**), which accrues over a three-year period, should be added, as explained below. The 2018-2020 LTIP currently in effect could be up to a maximum of 2.25 times the annual fixed remuneration.

The target annual short- and long-term variable remuneration of the Chief Executive Officer amounts to 60% of his total annual remuneration (sum of fixed remuneration, annual variable remuneration and annualised long-term variable remuneration, excluding amounts corresponding to long-term savings schemes and remuneration in kind).

This affords a balanced distribution of salary packages, between fixed and variable components (fixed and variable), distinguishing between short-, medium- and long-term objectives, and establishing business targets and others linked to the share price. This distribution of items, objectives and amounts allows for a balanced spread of risks.

The accrual periods for each variable item are as follows: (i) in the annual variable remuneration, accrual is annual depending on the achievement of objectives; (ii) in the New LTIP there are three overlapping cycles, of approximately three years each, the first starting on 1 January 2021 and the last one ending on 31 December 2025; and (iii) the 2018-2020 LTIP, effective until 2020, provides for three overlapping cycles of three years each, with the first cycle starting on the date of admission to trading of the Company's shares and ending on 31 December 2020, and the third cycle ending on 31 December 2022.

Obligation to reimburse or reduce variable remuneration (malus clause)

The New Remuneration Policy provides for the possibility of: (i) completely or partially, as applicable, cancelling the payment of any variable remuneration that may be pending payment; and/or (ii) requesting reimbursement of part or all of the variable remuneration paid, in the two years immediately following payment, in the event of any of the following circumstances:

- (a) the Company incurs losses (negative EBITDA or after-tax losses) attributable to negligent management decisions made during the vesting period of each variable remuneration;
- (b) the Company's financial statements are restated and (i) such restatement is considered material by the external auditors, subject to certain exceptions; and (ii) such restatement, alteration or variation determines that the Chief Executive Officer would be entitled to receive less than the outstanding amount of remuneration or no variable remuneration at all, regardless of whether the Chief Executive Officer bears any responsibility for such inaccuracy; and
- (c) the beneficiary is grossly non-compliant with his or her obligations deriving from the Company's Internal Regulation of Conduct.

Similar scenarios are regulated in the 2018-2020 LTIP.

Measures envisaged to avoid conflicts of interest

Article 28 of the Regulations of the Board of Directors defines and regulates the concept of conflict of interest as those situations in which the interests of the Company or companies belonging to its Group clash, directly or indirectly, with the personal interest of a director.

Directors must report the existence of a conflict of interest, whether direct or indirect, to the Board of Directors, and must refrain from intervening as representatives of the Company in the transaction to which the conflict refers, with the exceptions established in applicable legislation. Moreover, the Company shall inform, when it is legally so mandated, in regard to any conflict of interest in which directors (or their related persons) have been involved during the fiscal year in question and of which it is aware pursuant to a notification from the affected person or by any other means. Conflicts of interest involving directors shall be notified in the report accompanying the Company's annual financial statements.

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

The Articles of Association establish that the post of director of the Company is remunerated, and Article 17 states that the remuneration of directors in their capacity as such shall consist of an annual fixed allowance and may include remuneration in cash and in kind.

The total amount of remuneration that the Company may pay to all of its directors globally in that capacity may not exceed the amount stipulated for this purpose by the General Meeting of Shareholders. The amount so stipulated by the General Meeting of Shareholders shall remain unless modified by a new agreement at the General Meeting of Shareholders.

At present, by agreement of shareholders at their Ordinary General Meeting held on 19 June 2018, the maximum annual amount payable to directors, in their capacity as such, is two million euros.

The Board of Directors shall determine the exact amount corresponding to each of the directors (and may even determine that only some of them should receive remuneration), as well as the frequency and method of payment, in accordance with the Remuneration Policy. In this connection, it shall take into account the duties carried out by each director in the collective body and their membership of and attendance to meetings of the various Committees, as well as any other objective circumstances it deems relevant.

In accordance with the resolutions approved by the Board of Directors at its meetings on 20 February and 23 July 2018, annual fixed remuneration for directors in their capacity as such is established as follows:

(i) an annual fixed amount of €85,000 for membership of the Board of Directors;

(ii) an additional annual amount of €25,000 for the chairpersons of the Appointments and Remuneration Committee and the Audit Committee;

(iii) an additional annual amount of €15,000 for the remaining members of the aforementioned committees;

Notwithstanding the foregoing, directors Garcia Carranza, Manzano, Rey-Baltar and Ferris do not receive any remuneration in their capacity as directors in connection with the above items.

The non-executive Chairman of the Board of Directors receives annual fixed remuneration of €250,000 and is entitled to receive severance or termination benefits amounting to €500,000 when leaving the post for any reason. Likewise, he is entitled to use a company vehicle.

- The amount and nature of the fixed components that will be accrued during the fiscal year by executive directors for the performance of senior management functions.

The Chief Executive Officer receives fixed annual remuneration amounting to €650,000. He is also entitled to receive remuneration as a member of the Board of Directors as set forth above (€85,000).

- The amount and nature of any component of remuneration in kind that will be accrued during the fiscal year including, but not limited to, insurance premiums paid for directors.

Directors, in their capacity as such and in accordance with Article 17 of the Articles of Association of Metrovacesa, may receive remuneration in cash and in kind.

In particular, the non-executive Chairman of the Board of Directors is entitled to use a company vehicle in the terms deemed reasonable, consistent with his position and representation. The cost associated with this remuneration amounted to €13,165 in 2020.

Moreover, the Chief Executive Officer may receive remuneration in kind for discharging his executive duties. The Chief Executive Officer has been allocated remuneration in kind which includes a healthcare policy, life and accident insurance policy, contribution to a special savings plan, dining card and company vehicle amounting to €89,353 (2020 figure). The life and accident insurance policy which the Company has arranged for the Chief Executive Officer has insured capital of €3,000,000.

Lastly, the Company has taken out civil liability insurance for the directors, in accordance with the usual market conditions, the total cost of which is €195,000 (2020 figure), with coverage of up to €70 million. However, no payments were made to directors in 2020 in execution of insurance policies. Furthermore, the Company has arranged accident insurance for members of the Board at a total annual cost of €6,555 (2020 figure).

- The amount and nature of the variable components, distinguishing between short- and long- term components. Financial and non-financial parameters, the latter including social, environmental and climate change-related metrics, chosen to determine variable remuneration in the current year, explanation of the extent to which such parameters are linked to the performance of both the director and the company and its risk profile, and the methodology, necessary term and techniques envisaged to determine, at the end of the year, the degree of fulfilment attained of the parameters used to design variable remuneration, explaining the criteria and factors applied in terms of the time required and methods for verifying that the performance or any other conditions to which the accrual and vesting of each item of variable remuneration is linked are in fact fulfilled.

Indicate the range in monetary terms of the different variable components based on the degree of compliance with the established objectives and parameters, and whether there are any maximum monetary limits defined in absolute terms.

Only the Chief Executive Officer receives variable remuneration and Metrovacesa's General Meeting of Shareholders may establish remuneration systems indexed to the share price, which may be paid in cash, in shares and/or through the delivery of share options.

There are two items of variable remuneration: (i) annual variable remuneration; and (ii) multi-year variable remuneration. In relation to the accrual of both items of variable remuneration, each year the Appointments and Remuneration Committee carries out a review of the degree of compliance with the established objectives, their weighting and their method of calculation, establishing the amount accrued based on the relevant metrics.

A. Annual variable remuneration.

As a general rule, annual variable remuneration will range between 0% and 75% of the fixed salary (assuming a scenario of 100% achievement of objectives), with a maximum over-achievement scenario of 120% of objectives.

Variable remuneration is distributed between 75% of objective components and 25% qualitative components.

With regard to the objective components, the parameters to be considered for determining compliance with the annual variable remuneration objectives, as well as the respective weighting thereof, are determined annually by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, based on indicators correlated with variables of the Company pertaining to (i) growth; (ii) profitability; and (iii) other variables of a qualitative or quantitative nature, including but not limited to, medium- and long-term sustainability, compliance with strategic objectives, or objectives pertaining to corporate social responsibility.

B. Multi-annual variable remuneration.

The New LTIP will be aimed at providing an incentive for meeting the financial targets set and also at aligning the long-term interests of the Company's executive directors, executives and employees with those of its shareholders.

The New LTIP will comprise three, overlapping cycles of approximately three years each: (i) from 1 January 2021 until 31 December 2023; (ii) from 1 January 2022 until 31 December 2024; and (iii) from 1 January 2023 until 31 December 2025.

Based on the above, the strategic objectives for compliance with the New LTIP for the first cycle (which includes the current year) will be as follows: (i) cash flow generation, with a 50% weighting; (ii) launches, with a 10% weighting; (iii) deliveries, with a 20% weighting; and (iv) total shareholder return (TSR), with two components, absolute TSR, with a 10% weighting, and relative TSR measured against a group of comparable peers, with a 10% weighting.

For this first cycle of the New LTIP (which includes the current year), a minimum threshold will be set below which no accrual will occur, a target level corresponding to a 100% achievement rate; and a maximum level to be accrued if the achievement rate is above 100% and up to a maximum of 150% for cash flow generation, launches and deliveries targets, and 100% for TSR, both absolute and relative.

The maximum incentive that the Chief Executive Officer may receive for each of the three cycles of the New LTIP (and in particular for the first three-year cycle, which includes the current financial year) is limited to €975,000.

With regard to the 2018-2020 LTIP, for the second cycle (i.e. 2019-2021), in 2019 the Board of Directors approved, on the basis of a prior report from the Appointments and Remuneration Committee, the following objectives: (i) income from development and land deliveries, less structural expenses (operating cash flow); (ii) amount booked in the consolidated income statement, as the difference between the sale value of residential projects and capitalised costs directly attributable to transferred assets (residential development gross margin); and (iii) shareholder return based on the appreciation of the share price adjusted by dividends paid (absolute TRS), using as an initial benchmark the share price on 31 December 2018 (€11.09/share).

As regards the third cycle (2020-2022), because of the Covid-19 uncertainty, at its meeting of 18 March 2020 the Board of Directors decided to place its allocation on hold until the final quarter of the year, when a decision would be made. At its meeting of 17 December 2020, the Appointments and Remuneration Committee reported favourably on the proposal for the third cycle, considering the metrics and weightings initially devised for the Incentive Plan, whose approval was deferred, to be appropriate. Accordingly, at its meeting of 22 December 2020, based on a favourable report from the Appointments and Remuneration Committee, the Board of Directors approved the new third cycle of the 2018-2020 LTIP, with the following objectives: (i) launches (with a weighting of 10%); (ii) deliveries (with a weighting of 20%); (iii) cash generation (with a weighting of 50%); and (iv) total shareholder return performance (with a weighting of 20%).

In the case of the Chief Executive Officer, the objective amount in euros per cycle would be €487,500 in each of the second and third cycles. The maximum amount possible in the case of the Chief Executive Officer (assuming 150% fulfilment of the performance parameters) would be €731,250 in each of the second and third cycles.

The delivery of shares will take place once the pertinent tax obligations have been fulfilled, and the beneficiaries of the shares will be subject to various periods of holding the shares. Specifically, the Chief Executive Officer must maintain ownership of all the shares received during a minimum period of at least one year as from receipt of the same.

- The main characteristics of long-term savings schemes. This information should include contingencies covered by the scheme, whether it is a defined benefit or contribution scheme, the annual contribution that must be made to defined contribution schemes, the benefits to which recipients are entitled in the case of defined benefit schemes, the conditions governing vesting conditions of financial rights for directors and their compatibility with any type of compensation for early termination or removal, or arising from termination, under the established terms, of the contractual relationship between the company and the director.

It should be indicated whether the accrual or vesting of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

Only the Chief Executive Officer participates in the savings plan which runs from 1 January 2018 to 31 December 2032 [sic]. This is a defined contribution plan. The annual contribution is €63,000 and the commencement date was established as 2018.

Entitlement to the benefit shall be granted in the following two scenarios:

1. If the Participant continues as Chief Executive Officer for Metrovacesa on the Plan's completion date. In this case, the insured capital shall correspond to the value of the policy investment on the programme's completion date.

2. Death or increase in disability to above 75% which implies termination of the relationship with Metrovacesa. In this case, the insured capital shall correspond to the value of the policy investment on the programme's completion date (plus an additional €3,000 in the event of death).

Entitlement to the benefit shall be lost in the event of termination or cancellation of the relationship with Metrovacesa prior to the Plan completion date due to a justified cause, meaning serious and culpable breach of the duties of loyalty, diligence and good faith and any other serious failure to comply with the obligations undertaken pursuant to the director's contract with the Company.

There will be a redemption right in the event of contractual termination for reasons other than those mentioned in the previous paragraph. In this case, the capital shall be the funds accumulated to that date.

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

The non-executive Chairman of the Board of Directors is entitled to receive severance compensation of €500,000 in the event of being removed as Chairman of the Board for any reason. As a matter of prudence, this amount was provisioned in the company's financial statements in years prior to 2020.

Termination of the Chief Executive Officer's contract due to a unilateral decision of the Company will entitle the CEO to receive gross compensation equivalent to two annual payments of total remuneration received during the preceding financial year (fixed plus variable), which the CEO had been receiving at the time of contract termination, unless said termination was due to a legal violation, an infringement of internal regulations or corporate resolutions, or a breach of the Chief Executive Officer's obligations pursuant to the contract. A violation or breach must be very serious and be attributable in the form of fraud or serious negligence.

- State the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding duration, limits on severance payment amounts, length of service clauses, prior notice periods and payment in lieu of prior notice, and any other clauses relating to hiring bonuses, as well as benefits or golden parachutes due to early termination or cancellation of the contractual relationship between the Company and the executive director. Include non-compete agreements, exclusivity agreements, length of service and loyalty agreements, as well as post-contractual non-compete agreements, unless these have been explained in the section above.

The Chief Executive Officer must provide his services to the Company on an exclusive basis, and may not work, directly or indirectly, for third parties or on his own behalf, except with the Company's express consent or to manage his own assets or non-remunerated activities for non-profit entities.

Moreover, with a view to updating the Chief Executive Officer's remuneration, as approved by the Board of Directors in 2018, said CEO's contract was modified, including, among other aspects:

- A one-year non-competition agreement, remunerated with a fixed amount of €1,095,500; and
- the obligation to hold a packet of Metrovacesa shares equivalent to one year's fixed salary throughout his term as Chief Executive Officer of the Company. To attain that amount he will have a period of five years as from his appointment. At year-end 2020, the Chief Executive Officer holds 74,853 shares in

the company, acquired at an average price of €11.45, representing an investment of €856,779, which is more than twice his annual fixed salary net of tax.

The Appointments and Remuneration Committee plans to review the CEO's contract to adapt it to the New Remuneration Policy for 2021-2023, once approved by the 2021 General Meeting.

- The nature and estimated amount of any other supplementary remuneration that will be accrued by directors during the current fiscal year in compensation for services outside the scope of the usual functions of a director.
- Other items of remuneration including any derived from the company granting directors advance payments, loans, guarantees or other remuneration.

N/A

- The nature and estimated amount of any other supplementary remuneration expected to be accrued by directors during the current fiscal year and which is not included in the sections above, whether paid by the entity or another entity within the group.

A.2 Explain any significant change in the remuneration policy applicable to the current fiscal year as a result of:

- A new policy or a change to a policy already approved by the Board.
- Significant changes in the specific stipulations for the current remuneration policy established by the Board for the fiscal year in progress, with respect to those applied during the previous fiscal year.
- Any proposals that the Board of Directors has agreed to submit to the General Meeting of Shareholders to which this annual report will be submitted that are proposed to be applicable to the current fiscal year.

As stated above, the Ordinary General Meeting in 2021 must approve the New Remuneration Policy that will govern the current financial year as well as 2022 and 2023. Thus, at the date of issuing this report, the New Remuneration Policy and the New LTIP have not yet been approved, although their main aspects are set out in section A.1 above.

A.3 Provide a direct link to the document which includes the company's current remuneration policy, which should be available on the company's website.

<https://metrovesesa.com/en/shareholders-and-investors/corporate-governance/remuneration-policy>

A.4 Taking into account the data provided in Section B.4, explain the outcome of the shareholders' advisory vote at the company's annual general meeting on the annual report on remuneration for the previous fiscal year.

Agreement 7 of the General Meeting of Shareholders on 25 May 2020, in connection with the consultative vote on the annual report on directors' remuneration for the year ended on 31 December 2019, was approved by 97.55% of votes in favour, with 2.39% of votes against and a 0,06% of abstentions.

B. OVERVIEW OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE LAST FISCAL YEAR

B.1 Explain the process used to implement the remuneration policy and to determine the individual remuneration detailed in Section C of this report. This information should include the role of the remuneration committee, the decisions taken by the Board of Directors and, where applicable, the identity and role of any external consultants whose services have been used in the process of implementing the remuneration policy during the last fiscal year.

As reported in the 2018 annual report on director remuneration, during that year the Appointments and Remuneration Committee reviewed the general remuneration policy applying to directors, the Chief Executive Officer and the Board Committees, as well as executives reporting directly to the Board of Directors, with a view to verifying that Metrovacesa's general remuneration policy was competitive, retained the best professionals, strengthened the Company's interests and strategy and was in line with market best practices. Likewise, it examined the distribution of remuneration between fixed and variable components, annual and long-term packages, and cash and shares.

As a result of this review and analysis, in 2018, among other measures outlined in the 2018 annual report, the Remuneration Policy was partially modified by agreement at the Ordinary General Meeting on 19 June 2018 and the maximum annual amounts payable to directors were established.

In 2020, the Appointments and Remuneration Committee, in addition to supervising due compliance with the aforementioned agreements of 2018, implemented the following measures in connection with remuneration:

- it reviewed the degree of fulfilment with the variable objectives of the Company's management team for the year 2019, and specifically for the Chief Executive Officer;
- it reviewed and recommended the annual variable objectives of the Company's management team in 2020, and specifically for the Chief Executive Officer;
- it reviewed and proposed the metrics and parameters of fulfilment of the LTIP corresponding to the third cycle for the management team, and specifically for the Chief Executive Officer;
- it reviewed and recommended the variable objectives relating to the extraordinary multi-year incentive relating to 2020, for both the management team and the Chief Executive Officer;
- it analysed the criteria for salary increases for Company employees;
- it implemented a study to analyse the remuneration policy for directors and executives reporting directly to the Board, its Committees or the Chief Executive Officer, and determine whether it is consistent with the market and fulfils the goal of attracting and retaining valued professionals.

The Board of Directors has been duly informed of all the aforementioned actions by the ARC, and has adopted resolutions in connection with the following matters: (i) it approved the annual variable remuneration of the Chief Executive Officer for 2020; (ii) it approved the annual variable objectives of the Chief Executive Officer for 2020; (iii) it approved the metrics and parameters for fulfilment of the LTIP 2018-2020 corresponding to the third cycle; (iv) it approved variable objectives relating to the extraordinary multi-year incentive for 2020.

With regard to the involvement of external advisors, the Appointments and Remuneration Committee was supported by the following advisors:

- Russell Reynolds has advised the Board of Directors in connection with the self-assessment process. The aim has been to objectively assess the members of the Board of Directors in order to provide a detailed overview of their skills and competencies, for which Russell Reynolds has advised the Company, among other matters, in the preparation of the self-assessment questionnaire for the Company's directors.
- Law firm Garrigues was called in to review the remuneration policy for directors and executives directly reporting to the Board, its Committees and the Chief Executive Officer. The aim was to determine whether the remuneration is consistent with the market and fulfils the goals of attracting and retaining valued professionals.

Among other topics, the assessment examined the market situation in connection with each of the points analysed.

B.2 Explain the different actions taken by the company in relation to the remuneration scheme and how these have contributed to reducing exposure to excessive risks and adapting the scheme to the company's long-term objectives, values and interests. This includes, where applicable, reference to measures taken to ensure that the company's long-term results are taken into account in the remuneration accrued and that an appropriate balance is reached between the variable and fixed remuneration components, measures taken in relation to any categories of personnel whose professional activities have a material impact on the company's risk profile and measures taken to prevent any conflicts of interest.

Fixed annual remuneration is aimed at establishing a competitive and stable basic salary to attract and retain talented professionals so as to contribute to creating value in a sustainable manner.

Annual variable remuneration is aimed at motivating the Chief Executive Officer (and the top executives) and is associated with growth, profitability and other qualitative or quantitative indicators, combining long-, medium- and short-term objectives. Accordingly, a balanced remuneration structure is established, in terms of both amount and the kind of objectives set, limiting exposure to a specific type of risk.

At its meeting of 27 February 2020, The Board of Directors, on the basis of a favourable report by the Appointments and Remuneration Committee, unanimously approved the following objectives for the 2020 financial year, relating to parameters linked to the achievement of the business plan:

- (i) new residential launches with deliveries before December 2023, with a weighting of 17.5%;
- (ii) commercial sales, with a weighting of 20%;
- (iii) residential deliveries, with a weighting of 25%;
- (iv) land sales, with a weighting of 15%;
- (v) transformation of land to fully permitted, with a weighting of 10%;
- (vi) urban development milestones to be met in the year (with the exception of the transformation of land to fully permitted), with a weighting of 5%; and
- (vii) tertiary project launches, with a weighting of 7.5%.

In all cases the aforementioned objectives include measurement indicators establishing minimum compliance thresholds for entitlement to receive payment and using as a reference the targets set in the Company's annual budget.

Qualitative objectives have a weighting of 25% of the total, and are assessed by the Appointments and Remuneration Committee.

In addition, in 2018 the Board of Directors approved an extraordinary multi-year incentive for 2018-2020 (**Extraordinary Multi-year Incentive**), for the Chief Executive Officer and members of the management team. The extraordinary multi-year incentive is linked to medium-term business targets, and specifically to compliance with the Company's business plan at a crucial time for the Company's growth.

The Chief Executive Officer's commitment is to invest an amount equivalent to the fixed component (net of taxes) to acquire shares in the Company and keep them while he or she remains in the post.

<p>The extraordinary multi-year incentive, as its name suggests, is extraordinary, additional and different from the rest of the aforementioned components of remuneration. It is linked to key business targets for compliance with the Company's business plan, which is in a crucial phase for the Company's development in the wake of its listing.</p> <p>The incentive had a fixed component (70%) and a variable component (30%) in 2018 and 2019, while in 2020 it was variable in its entirety. The Chief Executive Officer's commitment is to invest an amount equivalent to the fixed component (net of taxes) to acquire shares in the Company and keep them while he or she remains in the post.</p> <p>The variable objectives linked to this extraordinary multi-year incentive for 2020 relate to residential launches and deliveries in the year, each with a weighting of 50%, with certain minimum fulfilment parameters established in connection with the year's budget which, if missed, would cancel entitlement to receive the variable component.</p> <p>In 2020, the maximum exceptional amount (fully variable) was €320,000; however, the objectives have not been met for this amount to have accrued in favour of the Chief Executive Officer, and he has not received any remuneration of this kind in 2020.</p>
<p>Lastly, the aforementioned 2018-2020 LTIP is linked, among others, to share performance, the aim being to provide an incentive to meet long-term financial targets and align the interests of the Chief Executive Officer and executives with those of the shareholders.</p> <p>This affords a balanced distribution of salary packages, between fixed, variable and extraordinary components (fixed and variable), distinguishing between short-, medium- and long-term objectives and, among these, distinguishing between business targets and others linked to the share price. This distribution of items, objectives and amounts limits risks.</p>
<p>As established above, throughout 2020 the Board of Directors and the Appointments and Remuneration Committee examined the remuneration system for the Chief Executive Officer and the management team to ensure, at this pivotal time in the development of the Company's business, that its team is motivated and committed.</p> <p>With regard to the measures adopted during 2020 to avoid conflicts of interest, the provisions of article 28 of the Regulations of the Board of Directors have been complied with. Said article (i) defines and regulates conflicts of interest as those situations in which the interest of the Company or of the companies forming part of its Group and the personal interest of the director directly or indirectly clash; and (ii) establishes that the director must notify the Board of Directors of the existence of conflicts of interest, whether direct or indirect, and refrain from acting as representative of the Company in the transaction to which the conflict refers, with the exceptions established in the applicable legislation. Moreover, the Company shall inform, when it is legally so mandated, in regard to any conflict of interest in which directors (or their related persons) have been involved during the fiscal year in question and of which it is aware pursuant to a notification from the affected person or by any other means. Conflicts of interest involving directors shall be notified in the report accompanying the Company's annual financial statements.</p>

B.3 Explain how the remuneration accrued or vested during the fiscal year complies with the provisions of the current remuneration policy.

Likewise, provide information on the relationship between the remuneration received by directors and the company's results or other long- and short-term measures of performance, explaining, where applicable, how any fluctuations in the company's performance have impacted on directors' remuneration, including any remuneration due which has been deferred and how this contributes to the company's short- and long- term results.

<p>Remuneration accrued in 2020 is fully compliant with the provisions of the Remuneration Policy approved by the General Meeting on 19 December 2017 (effective as from the IPO, on 6 February 2018) and with the modifications introduced at the General Meeting on 19 June 2018.</p>

Accordingly, remuneration to directors in their capacity as such is not generally linked to performance metrics.

Moreover, in all cases, the maximum amounts agreed by the General Meeting of Shareholders have been respected and payments have been made by the allocation of annual fixed amounts.

Specifically for the Chief Executive Officer, remuneration was for the items set forth in the Remuneration Policy, i.e. annual fixed remuneration, annual variable remuneration and long-term variable remuneration, remuneration in kind and, lastly, an extraordinary incentive approved by the Board of Directors within the projections and limits established in the current Remuneration Policy.

In any case, the Board considers that the remuneration for the Chairman and the Chief Executive Officer in the Company's current phase of growth and expansion, and taking into account that the dedication of these directors must be especially intensive and the remuneration sufficient to provide motivation for their performance in competitive conditions within the sector, is adequate.

In particular, in the case of the Chief Executive Officer, variables linked to the Company's performance and impacting on his total remuneration were incorporated.

As previously stated, the objectives of this short-term variable remuneration are linked to the Company's performance, such as launches and deliveries, sales and land transformation, all linked to the Company's budget, so that their fulfilment impacts on the remuneration to be accrued.

The same applied to the variable part of the extraordinary multi-year incentive.

Finally, it should be noted that the objectives of the 2018-2020 LTIP corresponding to the first cycle have not been achieved and therefore no amount has been accrued in favour of the Chief Executive Officer or the executives. With regard to the fulfilment of the objectives of the 2019-2021 LTIP for the second cycle, linked to performance measures as explained above, they will be very difficult to meet

B.4 Report on the outcome of the advisory vote at the general meeting on the annual report on remuneration for the previous fiscal year, indicating the number of votes cast against:

	Number	% over the total
Votes cast	123,589,524	100%

	Number	% over votes cast
Votes against	2,954,279	2.39%
Votes in favour	120,560,902	97.55%
Abstentions	74,343	0.06%

Remarks

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

In accordance with the resolutions approved by the Board of Directors at its meetings on 20 February and 23 July 2018, annual fixed remuneration for directors in their capacity as such in 2020 was as follows:

- (i) an annual fixed amount of €85,000 for membership of the Board of Directors;

(ii) an additional annual amount of €25,000 for the chairpersons of the Appointments and Remuneration Committee and the Audit Committee;

(iii) an additional annual amount of €15,000 for the remaining members of the aforementioned committees;

However, directors Garcia Carranza, Manzano, Rey-Baltar and Ferris do not receive any of the aforementioned remuneration in their capacity as directors.

The non-executive Chairman of the Board of Directors received annual fixed remuneration of €450,000 and is entitled to receive a company vehicle.

Said amounts have not varied with respect to those accrued by the directors in their capacity as such in 2018-2020.

For information purposes, note that the Company has taken out civil liability insurance for the directors, in accordance with the usual market conditions, the total annual fixed cost of which is €195,000 (figure for 2020), with coverage of up to €70 million. Furthermore, the Company has arranged accident insurance for members of the Board at a global annual fixed cost of €6,555.

B.6 Explain how the salaries earned and vested for the performance of management duties during the last fiscal year were determined for each executive director, and how they have changed with respect to the previous year.

In accordance with what has been outlined above, the salary of the Chief Executive Officer in the 2020 financial year was determined by applying the criteria set forth in the Remuneration Policy and Board of Directors agreements, adopted within the limits and projections of said Policy and the limits set by the General Meeting of Shareholders.

Accordingly, amounts accrued in 2020 were as follows:

(i) Remuneration in his capacity as a director, €85,000 per year;

(ii) Annual fixed remuneration of €650,000;

(iii) Remuneration in kind of € 89,353 (including, among others, private healthcare insurance, life and accident and disability insurance, contribution to a special savings plan, dining card and company vehicle)

(iv) Management Incentive Plan (MIP) granted by shareholders when the IPO took place, of € 56,972;

(v) Extraordinary multi-year incentive that has not accrued any amount.

(vi) Short-term variable remuneration of € 101,449;

(vii) estimated long-term multi-year variable remuneration (estimated LTI) of €135,729 (during 2020, €0 accrued for the first cycle; an accrual of €4,011 is estimated for the second cycle, and an accrual of €131,718 is estimated for the third cycle). We emphasise that these amounts are always estimates and will not be known until the end of the plan.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration schemes accrued and vested for the last fiscal year.

In particular:

- Identify each of the remuneration plans determining the different items of variable remuneration accrued by each director during the last fiscal year, including information on their scope, date of approval, date of implementation, vesting conditions where applicable, accrual periods and validity, criteria used for the performance evaluation and

how this has impacted on the determination of the variable amount accrued, as well as the measurement criteria used and the time frame required to ensure that all the stipulated conditions and criteria can be adequately measured. The criteria and factors applied must be explained in detail in respect of the time required and methods to verify whether the performance and other conditions to which the accrual and vesting of each item of variable remuneration are linked have been met.

- In the case of share option plans or other financial instruments, the general characteristics of each plan should include information on the conditions which must be met to acquire unconditional ownership (vesting) and to be able to exercise these share options or financial instruments, including the exercise price and time frame.
- Identify each director and their category (executive director, external proprietary director, independent external director, or other external director) who is a beneficiary of remuneration schemes or plans which incorporate variable remuneration.
- Where applicable, information will be provided on any accrual or vesting periods or postponement of payment of vested amounts applied and/or any non-availability/retention periods for shares or other financial instruments.

Explain the short-term variable components of the remuneration schemes
<p>Only the Chief Executive Officer receives variable remuneration, and in 2020 two variable remuneration items were accrued: annual variable remuneration and the extraordinary multi-year incentive.</p> <p>In relation to the accrual of both items of variable remuneration, each year the Appointments and Remuneration Committee carries out a review of the degree of compliance with the established objectives, their weighting and their method of calculation, establishing the amount accrued based on the relevant metrics.</p> <p>About annual variable remuneration. In accordance with the 2020 Remuneration Policy, said annual variable remuneration ranges, as a general rule, between 0% and a maximum of 75% of the fixed salary (assuming a scenario of 100% fulfilment of objectives).</p> <p>In general, the parameters to be considered for determining fulfilment of the annual variable remuneration objectives, as well as the respective weighting thereof, shall be determined annually by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, based on indicators correlated with variables of the company pertaining to (i) growth; (ii) profitability; and (iii) other variables of a qualitative or quantitative nature, including but not limited to medium- and long-term sustainability, compliance with strategic objectives, or objectives pertaining to corporate social responsibility.</p> <p>Specifically for 2020, the following objectives were established linked to fulfilment of the business plan:</p> <ul style="list-style-type: none">i. new residential launches with deliveries before December 2023, with a weighting of 17.5%;ii. commercial sales, with a weighting of 20%;iii. residential deliveries, with a weighting of 25%;iv. land sales, with a weighting of 15%;v. transformation of land to fully permitted, with a weighting of 10%;

vi. urban development milestones to be met in the year (with the exception of the transformation of land to fully permitted), with a weighting of 5%; and

vii. tertiary project launches, with a weighting of 7.5%.

The amount accrued in 2020 in relation to the aforementioned objectives and the qualitative assessment was € 101,449.

With regard to the extraordinary multi-year incentive for 2020, the variable objectives defined in relation to residential launches and deliveries in the year each had a weighting of 50%, with certain minimum fulfilment parameters established in connection with the year's budget which, if missed, would cancel entitlement to receive the variable component. The degree of fulfilment/accrual of this variable component was 0%.

Explain the long-term variable components of the remuneration schemes

The 2018-2020 LTIP in force in 2020, payable in shares, is aimed at providing an incentive for meeting the financial targets set and at aligning the long-term interests of the Company's executive directors, executives and employees with those of its shareholders. It comprises three, overlapping cycles of approximately three years each: (i) the first cycle commenced on the date when the Company shares were admitted to trading (February 2018) and ended on 31 December 2020; (ii) the second cycle commenced on 1 January 2019 and will end on 31 December 2021; and (iii) the third cycle commenced on 1 January 2020 and will end on 31 December 2022.

The 2018-2020 LTIP establishes a minimum threshold (below which the 2018-2020 LTIP will not be accrued), a target level corresponding to 100% performance, and a maximum level, which will be accrued in the event of performance exceeding 100% and up to a maximum of 150% of the target level.

In the case of the Chief Executive Officer, the objective amount in euros per cycle would be €975,000 in the first cycle and €487,500 in each of the second and third cycles.

The Price per Share of the 2018-2020 LTIP for the first cycle corresponds to the IPO price, while the price of cycle 2 corresponds to the 31 December 2018 share price and the price of cycle 3 corresponds to the 31 December 2019 share price. For the second cycle (comprising the years 2019 to 2021), in 2019 the Board of Directors, on the basis of a prior report by the Appointments and Remuneration Committee, approved the following objectives linked to EBITDA, Gross Margin and Total Shareholder Return performance parameters and weightings: (i) income from development and land deliveries, less structural expenses (operating cash flow); (ii) amount booked in the consolidated income statement, as the difference between the sale value of residential projects and capitalised costs directly attributable to transferred assets (residential development gross margin); and (iii) shareholder return based on the appreciation of the share price adjusted by dividends paid (absolute TRS), using as an initial benchmark the share price on 31 December 2018 (€11.09/share).

For the third cycle (i.e. 2020-2022), in 2020 the Board of Directors approved, on the basis of a prior report from the Appointments and Remuneration Committee, the following objectives: (i) launches (with a weighting of 10%); (ii) deliveries (with a weighting of 20%); (iii) cash generation (with a weighting of 50%); and (iv) total shareholder return performance (with a weighting of 20%), taking 31 December 2019 as an initial benchmark value (€8.75 per share).

In December 2020, the first cycle of the 2018-2020 LTIP ended and, as assessed, the compliance / accrual rate of this variable component was 0%.

B.8 Indicate whether there has been any reduction or clawback of specific accrued variable components when, in the first case, payment of non-vested amounts has been deferred or, in the second case, they have vested and been paid, based on data which has subsequently proven to be manifestly inaccurate. Describe the amounts reduced or reclaimed through the application of the reduction (malus) or clawback clauses, the reason for their application and the fiscal years to which they correspond.

N/A

B.9 Explain the main characteristics of the long-term savings schemes whose amount or annual equivalent cost appears in the tables in Section C, including retirement plans and any other survivor benefits which are financed either partially or wholly by the company and whether internally or externally provided, indicating the type of plan, whether it is a defined benefit or contribution scheme, the contingencies covered, the conditions governing the vesting of financial rights for directors, and its compatibility with any type of compensation for early termination of the contractual relationship between the company and the director.

Already explained in point A.

B.10 Explain, as applicable, compensation or any other type of payment resulting from early termination, whether by will of the director or the company, or termination of the contract under its corresponding terms, which has been accrued and/or received by directors during the last fiscal year.

N/A

B.11 State whether there have been any significant changes in the contracts of executive directors performing senior management duties and, where applicable, explain the changes. In addition, explain the main conditions in any new contracts signed with executive directors during the fiscal year, unless these have already been explained in Section A.1.

N/A

B.12 Explain any supplemental remuneration accrued by the directors in consideration of services provided other than those inherent in their position.

N/A

B.13 Explain any remuneration deriving from the granting of advance payments, loans and guarantees, indicating the interest rate, main characteristics, amounts repaid and obligations in the form of guarantees undertaken on their behalf.

N/A

B.14 Provide a breakdown of the remuneration in kind earned by directors during the fiscal year, with a brief explanation of the nature of the different salary components.

Already explained above, in connection with remuneration in kind.

B.15 Explain the remuneration received by directors pursuant to payments made by the listed company to third-party entities at which directors render their services, when the purpose of these payments is to pay directors for services provided to the company.

N/A

B.16 Explain any other component of remuneration besides those above, regardless of its nature or the entity of the group 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.

Already explained in previous sections, in connection with the Management Incentive Plan (MIP), included in the prospectus for the Initial Public Offering authorised by the CNMV.

C. DETAILS OF INDIVIDUAL REMUNERATION CORRESPONDING TO EACH DIRECTOR

Name	Type	Accrual period year t
Mr Ignacio Moreno Martínez	Other external director	From 01/01/2020 to 31/12/2020
Mr Mariano Olmeda Sarrión	Proprietary	From 01/01/2020 to 31/12/2020
Mr Jorge Pérez de Leza Eguiguren	Executive	From 01/01/2020 to 31/12/2020
Mr Javier García Carranza Benjumea	Proprietary	From 01/01/2020 to 31/12/2020
Mr Carlos Manzano Cuesta	Proprietary	From 01/01/2020 to 31/12/2020
Ms Ana Bolado Valle	Proprietary	From 01/01/2020 to 31/12/2020
Mr Cesáreo Rey-Baltar Oramas	Proprietary	From 01/01/2020 to 31/12/2020
Mr José Ferris Monera	Proprietary	From 01/01/2020 to 31/12/2020
Ms Beatriz Puente Ferreras	Independent	From 01/01/2020 to 31/12/2020
Ms Emma Fernández Alonso	Independent	From 01/01/2020 to 31/12/2020
Mr Vicente Moreno García-Mansilla	Independent	From 01/01/2020 to 31/12/2020
Mr Juan Béjar Ochoa	Independent	From 01/01/2020 to 31/12/2020

C.1 Complete the tables below in connection with the individual remuneration for each of the directors (including for discharging executive duties) accrued in the year.

A) Company remunerations discussed in this report:

i) Remuneration accrued in cash (in € '000)

Name	Fixed remuneration	Allowances	Remuneration for serving on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items (*)	Total year t	Total year t-1
Mr Ignacio Moreno Martínez	450	0	[Not applicable]	[Not applicable]	0		0	13	463	450
Mr Mariano Olmeda Sarrión	85	0	[Not applicable]	[Not applicable]	0	[Not applicable]	0		85	85
Mr Jorge Pérez de Leza Eguiguren	85	0	[Not applicable]	650	101	0	0		836	1,364

Remarks
N/A

iii) Long-term savings schemes

	Remuneration through vesting of rights to savings schemes (€ '000)
Mr Jorge Pérez de Leza Eguiguren	63

Name	Contributions paid by the company for the fiscal year (€ '000)				Amount of accumulated funds (€ '000)			
	Savings schemes with vested financial rights		Savings schemes with non-vested financial rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Schemes with vested financial rights	Schemes with non-vested financial rights	Schemes with vested financial rights	Schemes with non-vested financial rights
	Mr Jorge Pérez de Leza Eguiguren			63	63		189	

Remarks

iv) Breakdown of other items

Name	Item	Amount of remuneration (€ '000)
Mr Jorge Pérez de Leza Eguiguren	Health insurance, life insurance, dining card, company vehicle	26
Mr Ignacio Moreno Martínez	Company vehicle	13

Remarks
Note that the Company has taken out civil liability insurance for the directors, in accordance with the usual market conditions, the total annual fixed cost of which is €195,000, with coverage of up to €70 million. Furthermore, the Company has arranged accident insurance for members of the Board at a global annual cumulative cost of €6,555.

b) Remuneration for company directors for their membership of boards of other companies in the group:

i) Remuneration accrued in cash (in € '000)

Name	Fixed remuneration	Allowances	Remuneration for serving on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total year t	Total year t-1
Director 1										
Director 2										

Remarks
N/A

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

Name	Name of the Plan	Financial instruments at the start of year t		Financial instruments granted in year t		Financial instruments vested in the fiscal year				Instrument matured but not called	Financial instruments at the end of year t		
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (€ '000)	No. of instruments	No. of instruments	No. of equivalent shares	
Director 1	Plan 1												
	Plan 2												

Remarks
N/A

iii) Long-term savings schemes

Remuneration through vesting of rights to savings schemes

Name	Contributions paid by the company for the fiscal year (€ '000)				Amount of accumulated funds (€ '000)	
	Savings schemes with vested financial rights		Savings schemes with non-vested financial rights		Year t	Year t-1
	Year t	Year t-1	Year t	Year t-1		

					Schemes with vested financial rights	Schemes with non-vested financial rights	Schemes with vested financial rights	Schemes with non-vested financial rights
Mr Jorge Pérez de Leza Eguiguren								

Remarks
N/A

iv) Breakdown of other items

Name	Item	Amount of remuneration

Remarks
N/A

c) Summary of remuneration (€ '000):

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

Name	Remuneration accrued within the Company					Remuneration accrued within companies in the group				
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration through savings schemes	Remuneration through other items	Company total in year t	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration through savings schemes	Remuneration through other items	Group total in year t
Mr Jorge Pérez de Leza Eguiguren	836	57	63	26	982					
Mr Ignacio Moreno Martínez	450	23		13	486					
Ms Ana Lucrecia Bolado Valle	85				85					
Mr Mariano Olmeda Sarrión	85				85					
Ms Beatriz Puente Ferreras	110				110					
Ms Emma Fernandez Alonso	110				110					
Mr Juan Béjar Ochoa	100				100					
Mr Vicente Moreno García-Mansilla	100				100					
Total:	1,876	80	63	39	2,058					

Remarks

D. OTHER INFORMATION OF INTEREST

If there is any other relevant aspect as regards director remuneration that has not been covered in this report, but which is necessary to include to provide more comprehensive and well grounded information on the director remuneration structure and practices, detail it briefly.

This annual remuneration report was approved by the Company's Board of Directors at its meeting of 22 February 2021.

State whether any directors voted against or abstained in connection with the approval of this report.

Yes

No

Name or corporate name of members of the Board of Directors who did not vote in favour of approving this report	Reasons (voted against, abstained, did not attend)	Explain the reasons