
ISSUER IDENTIFICATION

Reference reporting date:

[31/12/2018]

TAX IDENTIFICATION NUMBER:

[A-82473018]

Company name:

[RENTA 4 BANCO, S.A.]

Registered office:

[PS. DE LA HABANA N.74 (MADRID)]

A. REMUNERATION POLICY OF THE COMPANY FOR THE YEAR IN PROGRESS

A.1 Explain the current policy for the remuneration of directors applicable to the year in progress. Where relevant, certain information may be stated in relation to the remuneration policy approved by the general meeting of shareholders, provided the addition is clear, specific and concrete.

There must be a description of any specific determinations for the year in progress, of the remuneration of directors in their capacity as such and for their performance of executive functions by the board pursuant to the provisions of the contracts signed with executive directors and with the remuneration policy approved by the general meeting.

The following aspects, at least, must be reported in any case:

- Description of the procedures and bodies of the company involved in determining and approving the remuneration policy and its conditions.
- State and, where appropriate, explain whether consideration have been given to comparable companies for the purposes of establishing the company's remuneration policy.
- Information as to whether an external advisor was involved and, should this be the case, the identity of the advisor.

The purpose of the directors' remuneration policy (the "Remuneration Policy") of Renta 4 Banco, S.A. (the "Company" or "Renta 4") is to align the interests of shareholders with those of the Company, seeking prudent management of the business and minimising the risks inherent in it by rewarding the work of the Company's personnel in achieving said purpose and endeavouring to ensure that remunerations are consistent with the market conditions of credit institutions of comparable size and with criteria of moderation and alignment with the Company's results All this in order to contribute to the Company meeting its strategic objectives within the framework in which it carries out its activity.

In this regard, and within the framework of the provisions of the Articles of Association, the Regulations of the Board of Directors of the Company reserve to this body the power to adopt the decisions to be proposed to the General Meeting regarding the remuneration of directors. In accordance with the best corporate governance practices, the Board of Directors of the Company has established, for the best performance of its duties, Committees that assist it in matters that are within its remit. Of these, the Appointments and Remuneration Committee (the "ARC") is the body that advises and informs the Board of Directors on remuneration issues, among others, assigned to it in the Board Regulations, ensuring compliance with the remuneration policy established by the Company's General Meeting of Shareholders and proposing, where appropriate, any modifications it deems appropriate.

For this reason, the Board of Directors, in the exercise of its functions, shall approve, at the proposal of the ARC, the Remuneration Policy for the year in progress and submit it to the Company's General Meeting for approval.

The Appointments and Remuneration Committee, under Article 32 of the Board of Directors Regulations, currently comprises three members appointed by the Board of Directors, Eduardo Trueba Cortes and Sarah Harmon, as independent directors and Pedro Navarro Martínez, as another external director.

This Committee meets as often as is necessary for the performance of its duties, convened by its Chairman or, as the case may be, by the Chairman of the Board, at least once a quarter.

In 2018, the ARC met six times to discuss issues within its remit.

Without prejudice to other duties that should be assigned to it by the Board, the ARC has, in relation to matters of remuneration, the following powers:

- ensure that the remuneration policy established by the Company is observed and, in particular, review it on a regular basis and propose to the Board of Directors the remuneration policy for directors, senior executives, executive committees, executive directors and, where appropriate, categories of employees who, owing to the duties they perform, are included in the remuneration policy by virtue of the applicable regulations, the application thereof, including share-based remuneration systems and their application, as well as to guarantee that individual remuneration is proportional to that paid to directors and senior executives;
- propose to the Board of Directors the individual remuneration and the terms and conditions of the contracts of executive directors and the basic conditions of the contracts of senior executives, all in accordance with the Remuneration Policy approved by the General Meeting;
- oversee the transparency of remuneration and the observance of the remuneration policy established by the Company.

In this regard, the ARC will propose, where appropriate, due modifications of the Remuneration Policy to the Board of Directors.

The Regulations of the Board of Directors, both with regard to the ARC itself and for directors in general, provide that all of them (the Committee or the members of the Board, as the case may be) may request external advisory on any matters they consider necessary (art. 29.2 of the Board Regulations).

Further, in accordance with Article 24 of the Regulations of the Board of Directors of Renta 4, the Board of Directors has endeavoured to ensure that the remuneration is guided by the market conditions of credit institutions of comparable size, ensuring that remuneration meets criteria of moderation and proportionality to the Company's results.

The Company's Corporate Governance rules have been configured so that proposals submitted for consideration by the Board of Directors in remuneration matters originate from the ARC, which analyses them beforehand, relying on the Company's internal services and external experts when necessary. In addition, all remuneration decisions affecting the directors have been submitted (or will be submitted) to an advisory vote of the Company's General Meeting of Shareholders, which ensures the appropriate decision-making process in relation to remuneration.

- Relative importance of items of variable remuneration in relation to the fixed items (remuneration mix) and the criteria and objectives taken into account to determine them and to guarantee a proper balance between the fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and align it with the long-term objectives, values and interests of the company, including, where appropriate, a reference to measures envisaged to ensure that the remuneration policy takes into account the long-term results of the company, measures adopted in relation to categories of personnel whose professional activities have a material impact on the entity's risk profile and measures envisaged to avoid conflicts of interests, where appropriate.

Likewise, indicate whether the company has established a period for accrual or consolidation of certain items of variable remuneration, a deferral period for the payment of certain amounts or the delivery of financial instruments already accrued and consolidated, or whether a clause has been agreed which reduces deferred remuneration or obliges the director to return any remuneration received, when the remuneration has been based on data subsequently shown to be manifestly inaccurate.

The Remuneration Policy seeks to establish a remuneration scheme appropriate to the engagement and responsibility undertaken by the people to whom it applies, with the aim, first, of attracting, retaining and motivating the most outstanding professionals and, second, contributing to the Company being able to meet its strategic objectives within the framework in which it carries on its activity. For this reason, and as established in the Regulations of the Board of Directors, the remuneration will be adjusted to the market conditions of credit institutions of a size similar to Renta 4 and based on criteria of moderation and proportionality to the results of the Entity.

Therefore, the remuneration policy is based, inter alia, on the following principles:

- (a) The Remuneration Policy applies both to executive and non-executive members of the Board of Directors of Renta 4, to senior executives, as well as to categories of employees of the Company whose professional activities have a material impact on the Company's risk profile and those who exercise control functions, as well as categories of employees of the Company who receive a global remuneration that includes them in the same scale of remuneration as that of senior executives and employees who take on risks, whose professional activities have a material impact on the Company's risk profile.
- (b) The Remuneration Policy is compatible with appropriate and effective management of risk, and fosters such management in all circumstances, without offering, consequently, incentives for assuming a level of risk that exceeds the level of risk tolerated by the Company.
- (c) The Remuneration Policy is aligned and compatible with the Company's business strategy, objectives, values and long-term interests, and is subject to annual review, with the Board proposing, as appropriate, any modifications it deems appropriate.
- (d) The remuneration paid by the Company in accordance with these principles follows criteria of moderation and proportionality to the Group's results, and favours sound and effective risk management that prevents conflicts of interests.
- (e) In this sense, remuneration establishes an appropriate balance between the fixed and variable items, and takes into consideration the responsibility and level of commitment of each individual, as well as all types of current and future risks.
- (f) The variable remuneration has sufficient flexibility that enables its modulation to the point that it is possible to completely eliminate variable remuneration.
- (g) It assesses performance in order to calculate the variable items of remuneration or the funds to pay for these items; an adjustment is made for all types of current and future risks, and the cost of capital and liquidity required is taken into account.
- (h) Variable remuneration is only paid if it is sustainable with the situation of the Company, and if it is justified based on the results of the Company, the business unit and the employee in question, and the Company may, for these purposes, retain part or even all of it. However, the remuneration of personnel who exercise control functions is not subject to the results of the business areas they control.

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This assessment is part of a multi-year framework ensuring that the assessment process is based on long-term results and that the actual payment of variable items is spread over the period covered by the Remuneration Policy.

(i) Payments for early termination of a contract are based on the results obtained over time, established in such a way that they do not reward poor performance.

(j) The pension policy is compatible with the Company's business strategy, objectives and values and long-term interests.

(k) Any scheme for rights of widowhood, orphanhood and death that is established is consistent with the market and the provisions of applicable regulations.

Further, in relation to the relative weight of variable remuneration items in relation to fixed ones, the principles on which the Remuneration Policy is based state that it will establish an appropriate balance between the fixed and variable items, always taking into consideration the responsibility and level of commitment involved in the role that each individual is called upon to play, as well as all types of current and future risks, an aspect that is covered in the Policy. In this regard, the Company's executive directors currently receive variable remuneration based on the performance of their executive duties, as indicated in section A.1.6 below.

In relation to the measures envisaged to guarantee that the Remuneration Policy takes into account the long-term results of the Company, section A.1.6. below includes the objective criteria relating to the Company's results for determining directors' variable remuneration. Furthermore, the Company's Remuneration Policy provides for an adequate balance between the fixed and variable items of remuneration for, as noted in section A.1.6, below, variable compensation depends on the achievement of objective criteria established by the Board and linked to the Company's objective results.

Likewise, as regards the measures adopted in relation to categories of personnel whose professional activities have a material impact on the Company's risk profile, the Company adopts the same measures in this respect as for executive directors, which are included in section A.1.6 below. These, in particular, relate to establishing the variable remuneration based on the targets linked to the Company's net profit and the level of default of the Renta 4 Group.

Lastly, in relation to the clawback formulae or clauses to claim back variable components of remuneration, it is envisaged that in the event that the assessments conclude that performance has been deficient, the Company may reduce the deferred variable remuneration and/or claim the reimbursement of the variable remuneration already paid, up to a maximum of 100%, in either case. These assessments will analyse subsequent performance according to the criteria (indicated in section A.1.6 below), which contributed to achieving the objectives, comparing it with the initial performance assessment and will be approved by the Board of Directors at the end of the year to which said variable remuneration refers.

- The amount and nature of any fixed components expected to accrue in the course of the year to directors in their capacity as such.

The Company has devised a remuneration system that differentiates between the remuneration of executive directors and that of other directors.

Directors, by virtue of their status as such, shall receive annual remuneration appropriate to market standards for the performance of their duties as members of the Board of Directors, taking into account the duties and responsibilities exercised by each of the directors within the Board itself or its Committees.

The amount of the remuneration that the Company may pay to the entirety of its directors for these items shall not exceed the amount set for this purpose by the General Meeting.

In this sense, the remuneration of the directors will consist of a fixed annual amount for the performance of their duties as members of the Board of Directors, which amounts to a maximum global amount of 622,176 euros in fiscal year 2019, at the rate of 60,000 euros gross for each of the non-executive directors who are natural persons and 71,088 euros gross for each of the non-executive directors that are legal persons. However, if the number of non-executive directors is increased by more than the current ten members, the maximum amount may be increased for each new non-executive member of the board of directors by the corresponding fixed amount (60,000 euros or 71,088 euros) by virtue of their status as natural or legal persons, up to a total maximum remuneration of all non-executive directors of €884,352.

Executive directors shall not receive any remuneration for their status as Company directors, their only compensation being that received for performance of their executive duties, the scheme of which is set out in section A.1.4 below.

- The amount and nature of any fixed components that will accrue in the year to directors for performance of senior management duties by executive directors.

It should be noted that the remuneration system established by the company for executive directors takes into account the specific characteristics of each position, the duties attributed, the level of responsibility, the level of commitment taken on and engagement required, all for the purpose of the ARC establishing, determining and/or updating remunerations in order to be competitive in the market in equivalent posts in competing entities.

The only executive directors whose appointment as directors is associated with their executive functions are:

- Chairman with executive functions: Mr Juan Carlos Ureta Domingo.

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- CEO: Mr Juan Luis López García.
- Director and General Manager: Mr Jesús Sánchez-Quiñones González.
- Director and Regional Manager: Mr Santiago González Enciso.

The compensation of executive directors for fiscal year 2019, based on their responsibility, attributed functions and level of commitment, in terms of fixed remuneration will be as follows:

- Executive Chairman: Mr Juan Carlos Ureta Domingo, acting as Executive Chairman will receive a fixed annual remuneration of 300,000 euros gross to be divided into 12 equal monthly payments.
- The CEO of the Company Mr Juan Luis López García will have fixed annual remuneration of 275,000 euros gross.
- Director and General Manager Mr Jesús Sánchez-Quiñones González, will have a fixed annual compensation of 275,000 euros gross.
- The Director and Regional Manager, Mr Santiago González Enciso will have a fixed annual remuneration of 75,000 euros gross.

In relation to the estimation of the fixed annual remuneration, given that the amounts indicated are fixed and will not depend on any objective or variable aspect, there is no estimation in this regard, where said sums are the fixed remuneration each of them will receive during the year 2019 for their posts.

- Amount and nature of any item of in-kind remuneration in kind that will be accrued in the year, including, but not limited to, insurance premiums paid in the director's benefit.

The Company has taken out a collective civil liability insurance policy that covers all liabilities of whichever kind for acts and the conduct of executive directors (Executive Chairman, CEO, General Manager and Regional Manager) and of non-executive directors of the Company, as a consequence of performing the activities attached to their roles.

- The amount and nature of the variable components, with a distinction made between those established in the short term and in the long term. Financial and non-financial parameters, the latter including social, environmental and climate change parameters, selected to determine variable remuneration for the year in progress, explanation of the extent to which these parameters bear a relation to performance of the director and also of the company and its risk profile, and the methodology, necessary timeline and techniques in place for the purposes of determining, at year-end, the level of compliance with the parameters used to design variable remuneration.

Specify the range in monetary terms of the different variable components depending on the level of compliance with the objectives and parameters established, and whether there is any maximum monetary amount in absolute terms exists.

The variable remuneration of the directors of Renta 4 according to their responsibility, attributed functions and level of commitment is structured as follows:

1. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-executive directors do not currently have a Variable Remuneration Plan.

2. REMUNERATION OF EXECUTIVE DIRECTORS

Executive directors currently have the following Variable Remuneration Plan.

2.1. Variable Remuneration of the Chairman for his Executive Functions

Mr Juan Carlos Ureta Domingo, as Executive Chairman, in 2019 will receive an Annual Variable Remuneration ("AVR") that may not exceed, in any case, 100% of the Fixed Annual Remuneration ("FAR") and will be determined by the corresponding amount accrued according to the level of compliance with the Year's Targets linked to the Net Profit of the Group ("NP"), which will be set by the Board of Administration ("BoD"), in accordance with the responsibilities and functions of the position, as well as any others that are specifically assigned by the BD to the Chairman.

The Year's Targets will be calculated on the basis of the NP and for the year 2019, they have been established according to the following scale:

- NP < €15M = 0% FAR
- NP 15 < x < €16M = 10 %FAR

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- NP 16 < x > €17M= 15 % FAR
- NP 17 < x > €18M= 35 % FAR
- NP 18 < x > €19M= 55 % FAR
- NP 19 < x > €20M= 65 % FAR
- NP 20 < x > €21M= 85 % FAR
- NP > €21M= 100% FAR

The AVR will be received as long as the levels of default or bad debt losses of the Renta 4 Group during the financial year are lower than 5% of the Equity ("E") at year-end and when these levels are not attributed to the Company's actions, in which the risk levels and limits allowed and established by the European Banking Authority (EBA) or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

2.2. Remuneration of CEO and of Director and General Manager

The CEO, Mr Juan Luis López García and the Director and General Manager Mr Jesús Sánchez-Quñones González will receive an AVR that may not exceed 100% of the FAR of each one of them and will be determined by the corresponding amount accrued according to the level of compliance with the Year's Targets linked to the Net Profit of the Group ("NP"), which will be set by the Board of Directors every year.

The Year's Targets will be calculated on the basis of the NP and for the year 2019, they have been established according to the following scale:

- NP < €15M = 0% FAR
- NP 15 < x > €16M= 10 %FAR
- NP 16 < x > €17M= 15 % FAR
- NP 17 < x > €18M= 35 % FAR
- NP 18 < x > €19M= 55 % FAR
- NP 19 < x > €20M= 65 % FAR
- NP 20 < x > €21M= 85 % FAR
- NP > €21M= 100% FAR

The AVR will be paid as long as the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the E at the end of year and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the EBA or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

2.3. Variable Remuneration of the Director and Regional Manager

The Regional Manager will receive a FAR that may not exceed 100% of the FAR determined by the corresponding amount accrued according to the level of fulfilment of the Year's Targets linked to the Net Profit of the Group ("NP"), which will be set by the Board of Directors.

The Year's Targets will be calculated on the basis of the NP and for the year 2019, they have been established according to the following scale:

- NP < €15M = 0% FAR
- NP 15 < x > €16M= 10 %FAR
- NP 16 < x > €17M= 15 % FAR
- NP 17 < x > €18M= 35 % FAR
- NP 18 < x > €19M= 55 % FAR
- NP 19 < x > €20M= 65 % FAR
- NP 20 < x > €21M= 85 % FAR
- NP > €21M= 100% FAR

The AVR will be paid as long as the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the E at the end of year and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the EBA or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

In relation to the sums corresponding to the amount accrued depending on the fulfilment of the Year's Targets ("YT") linked to Net Profit of the Group, which will be set by the Board of Directors for the Executive Chairman, CEO, General Manager and Regional Manager, 60% of the amount corresponding to each of them shall be paid within a maximum period of 15 days following the assessment, and in any case before the end of the month of March of the calendar year following the corresponding year in which it has accrued. The remaining 40% will be subject to a three-year deferral period, the accrual and payment satisfied at a rate of a maximum of 13% in the first year of deferral, a maximum of 13% in the second year of deferral and a maximum of 14% in the third year of deferral. The payment due must be made before the end of the corresponding month of March of the calendar year following each of the years in which the deferral has taken place.

For the vesting of accrual and payment of 40% of the deferred AVR, the Board, at the proposal of the ARC, will conduct an assessment at the end of each year of the deferral period, based on keeping up the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the reported period and will adjust to the circumstances of the Renta 4 operations, to the

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risks taken on by the Company and the activity of each of the executive directors provided that the assessment of each one of these concludes that their performance was adequate and in line with the Company's targets.

The payment of the VR, both the 60% and the deferred 40%, will be performed 50% in cash and the other 50% in shares. To calculate the number of shares accrued to be delivered, the average market value of the share during the last 20 business days of the corresponding year will be used, where the shares are non-transferable during a period of 12 months following delivery.

The total amount of the VR obtained as a result of the application of the VR system, depending on the level of fulfilment of the NP and objectives set for the Executive Chairman, CEO, General Manager and Regional Manager, may not involve the Group's NP falling below €15M by 2019. Otherwise, the Total Amount of the VR must be adjusted proportionally until the 2019 NP is at least €15M.

Likewise, and to estimate the total amount of the variable remunerations to which the current system would give rise, depending on the level of fulfilment with the assumptions or objectives taken as a benchmark, the Company considers that it could be determined in the following maximum amounts:

- Chairman with executive functions: Mr Juan Carlos Ureta Domingo would receive a maximum of €300,000 gross.
- The CEO, Mr Juan Luis López García will receive a maximum of €275,000 gross.
- The General Manager, Mr Jesús Sánchez-Quiñones González €275.000 gross.
- The Regional Manager, Mr Santiago González Enciso €75,000 gross.

- Main characteristics of long-term savings systems. Among other information, specify the contingencies covered by the system, whether it is a contribution or a defined benefit, the annual contribution to be made to the defined contribution systems, the benefit to which beneficiaries are entitled in defined benefit systems, the conditions for vesting of the economic rights in favour of directors and their compatibility with any type of payment or compensation for early termination or dismissal, or deriving from the termination of the contractual relationship, under the terms established, between the company and the director.

It must be specified whether the accrual or consolidation of any long-term savings plans are linked to the achievement of certain objectives or parameters relating to the short-term and long-term performance of the director.

The Company has not undertaken any pension, retirement or similar obligations with non-executive directors.

With regard to the executive directors, since 2007 the Company has been covering the contingencies of retirement, work disability, death, severe dependency or major dependency by setting up systems of defined contribution employment plans with the coverage and vesting in accordance with the regulations for Pension Plans, to which 600 euros are currently contributed annually, as well as the insurance premium to cover these contingencies for each of them, all of which are compatible with the compensation included in A.8. The contributions made in 2018, as well as the accumulated amounts, are included in C.1.a) iii).

The accrual or vesting of long-term savings plans is not linked to the fulfilment of the targets set for the directors.

- Any type of payment or compensation for termination or early departure or that arises from the end of the contractual relationship, in the terms stipulated, between the company and the director, whether departure is at the behest of the company or is the wish of the director, and any kind of agreement, such as an exclusivity, post-contractual non-competition and long-service or loyalty agreement, entitling the director to any kind of remuneration.

The Company's non-executive directors are not contractually entitled to receive any compensation in the event of resignation or dismissal. For executive directors, Renta 4 has established compensation in the event of dismissal, unfair dismissal or termination of the employment relationship for reasons beyond the Director's control. In this sense, this compensation are compatible with the long-term savings plans explained in section A.7. above, the figures for which are included in C.1.a).iii. and are implemented for executive directors as follows:

- Executive Chairman: In the event of termination for reasons beyond the Chairman's control, or due to his/her removal or non-reelection as a member of the Board of Directors (BoD) by the General Meeting (GM) or due to his/her removal or non-reelection as Chairman in the BoD, he/she shall be entitled to receive compensation equal to the legal compensation provided for unfair dismissal under the ordinary employment law.

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- CEO: In the event of his/her removal as Chief Executive Officer (CEO) for causes beyond his/her will; due to his/her removal or non-reelection as a member of the Board of Directors by the Board of Directors or due to his/her removal or non-reelection as a member of the Board of Directors in the Board of Directors, he/she shall be entitled to receive compensation equal to the legal compensation provided for unfair dismissal under the ordinary employment law for the period in which he/she held the position of CEO. In the event of a dismissal that is declared to be unfair, the CEO would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment law.

- Director and General Manager: compensation equal to the compensation provided for unfair dismissal under the ordinary employment law.

- Regional Director: there is no agreement relating to compensation or a golden parachute.

On the other hand, in addition to the envisaged compensation, and in relation to the VR indicated in section A.1 table 6 above, the executive directors will be entitled to the following:

The Executive Chairman, in the event that the Board of Directors decides to remove him as Executive Chairman, or the GM resolves to remove him as a Director, shall be entitled to receive the accrued and vested part of the AVR as appropriate, and in relation to the deferred part, shall forfeit any right to receive any such amount. However, in the event of termination of his or her post due to (i) permanent or severe disability, (ii) death, (iii) retirement, (iv) pre-retirement, or (v) early retirement, the Executive Chairman shall be entitled to receive the accrued and vested portion of the annual variable remuneration (AVR), as applicable, and in relation to the deferred portion, the full amount of the deferred payment shall be deemed to have accrued and vested. For executive directors holding the positions of Chief Executive Officer and Director and General Manager, the Board of Directors has established that they will be entitled to receive the accrued and vested portion of the AVR, as appropriate, and in relation to the deferred part, the total amount of the deferred payment will be understood to have been accrued and vested, in the event of: (i) business withdrawal; (ii) dismissal declared unfair by the Courts or recognised as unfair by the Company; (iii) dismissal declared null and void by the Courts; (iv) termination of the employment relationship requested by the Chief Executive Officer or the General Manager, pursuant to Article 10.3 of Royal Decree 1382/1985, of 1 August, which regulates the special employment relationship of senior management personnel or the termination of the employment relationship requested by the worker, in the case of the Director General under the provisions of Article 50 of the Workers' Statute; (v) disability; (vi) death; (vii) retirement; (viii) pre-retirement; (ix) early retirement or (x) mutual agreement to suspend the relationship, provided that the assessment made concludes that the performance of the CEO or Director and General Manager has been correct and in line with the objectives of the Entity.

However, in the event of (i) resignation or voluntary resignation; (ii) withdrawal of the Chief Executive Officer or General Manager; (iii) voluntary leave and/or compulsory leave of absence; or (iv) dismissal declared fair by the Courts, they shall be entitled to receive the accrued and vested part of the AVR, as applicable, forfeiting any right to receive any amount for the deferred payment. Finally, with regard to the executive director and Regional Manager, the Board of Directors has established that the latter shall be entitled to receive the accrued and vested portion of the annual variable remuneration, as appropriate, and with regard to the deferred part, the total amount of the deferred payment shall be understood to have been accrued and vested, in the event of the following: (i) dismissal declared unfair by the Courts or recognised as unfair by the Company; (ii) dismissal declared null and void by the Courts; (iii) termination of the employment relationship requested by the worker under the provisions of Article 50 of the Workers' Statute; (iv) change of job category; (v) disability; (vi) death; (viii) retirement; (ix) pre-retirement; (x) early retirement or (xi) mutual agreement to suspend the relationship, provided that the assessment conducted concludes that the performance of the Director has been correct and in line with the Company's targets.

However, in the event of (i) resignation or voluntary resignation; (ii) voluntary leave and/or compulsory leave of absence; or (iii) dismissal declared fair by the Courts, they shall be entitled to receive the accrued and vested part of the AVR, as applicable, waiving any right to receive any amounts for the deferred payment.

- Specify the conditions to be observed by the contracts of individuals who exercise senior management functions as executive directors. The term, limits on the amounts of termination benefits, long-service terms, notice periods, and payment as substitution for notice periods, and any other clauses covering hiring bonuses, indemnities or golden parachutes for early termination or cessation of the contractual relationship between the Company and the executive director will be reported, among others. Include, inter alia, any covenants or agreements not to compete and exclusivity, long-service or loyalty and post-contractual non-competition agreements, unless these have been explained in the preceding section.

The Board Regulations assign to this body the power to adopt decisions on the conditions that the contracts of executive directors must observe. In addition, the ARC's functions include reviewing and proposing to the Board of Directors the remuneration policy for directors and senior executives and, where appropriate, categories of employees who, owing to the functions they perform, are included in the remuneration policy by virtue of the applicable regulations, the individual remuneration and the terms and conditions of the contracts of executive directors and the basic conditions of the contracts of senior executives, all in accordance with the remuneration policy approved by the General Meeting.

The contracts arranged with each of the executive directors determine their related remuneration, economic rights and rewards, which include those items included in the Company's bylaws and described in this report. The relevant terms and conditions of the contracts of Mr Juan Carlos Ureta Domingo (as Executive Chairman), Mr Juan Luis López García (CEO), Mr Jesús Sánchez-Quiñones González (Director and General Manager) and of Mr Santiago González Enciso (as Director and Regional Manager) are specified below:

a) Term: The contracts are of an indefinite term.

b) Limits on the amounts of termination benefits: The limitations on the maximum amounts of compensation for each of the executive directors are set out below:

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- Executive Chairman: He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2019, 1,469 thousand euros.
- CEO: He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2019, 853 thousand euros.
- General Manager: He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2019, 1,190 thousand euros.
- Regional Manager: he would receive the legal compensation envisaged for unfair dismissal under the ordinary employment law. In this respect, the maximum amount of such compensation would be, in 2019, 301 thousand euros.

c) Prior notice: Those set out in the applicable collective agreement.

d) Any non-competition and exclusivity, length of service or loyalty and post-contractual non-compete covenants or agreements: In the contracts signed with each of the executive directors, a declaration is made by both parties that the positions they hold in the Company are full-time, with exclusive dedication to the Company. In addition, such exclusivity is emphasised in such contracts (the subject matter clause). There are no specific pacts in the aforementioned contracts relating to non-competition, length of service or loyalty and post-contractual non-competition.

In relation to these matters, article 16 of the Regulations of the Board of Directors establishes that no director may engage, on his own account or on behalf of others, in an activity that is the same, similar or a supplementary to that which constitutes the corporate purpose of the Company, unless expressly authorised to do so by the Company in the form of a resolution of the General Meeting, for which purpose they must give the notice specified in the aforementioned Regulation. Directors must consult the ARC before accepting any executive position or position on the board of directors of another company or entity.

With regard to possible conflicts of interest, article 20 of the Board Regulations establishes that directors must notify the Board of Directors of any situation of conflict, direct or indirect, that they may have with the interest of the Company. The director concerned shall refrain from participating in resolutions or decisions relating to the transaction giving rise to the conflict. Likewise, the directors must report any the direct or indirect stake either they or related persons, as defined in the Spanish Limited Liability Companies Law, hold in the capital of a company with the same, similar or complementary type of activity to that which constitutes the corporate purpose, and they must also report any posts or functions they hold in it.

In addition, Article 9 of the Board Regulations establishes that directors must observe the regime of incompatibilities that is legally established at any given time.

- The nature and estimated amount of any other additional remuneration that will be accrued by directors during the year in progress by way of a consideration for services provided other than those inherent in their posts.

The directors of the Company did not accrue any remuneration in this regard.

- Other items of remuneration such as any arising from provision for the director by the company of advances, credits and guarantees and other remuneration.

The Company currently has credit facilities in the benefit of the following directors:

On 9 July 2018, Mr Francisco García Molina was granted a loan of 200 thousand euros, with a four-year repayment term, which ends on 8 July 2022. In 2018, he drew down 198 thousand euros.

Mr Pedro Ángel Navarro Martínez was granted a loan amounting to 1000 thousand euros on 13 November 2017, of which 798 thousand euros were drawn down, with a repayment term that ends on 12 November 2019.

On 28 June 2018, Santiago González Enciso was granted a loan of 775 thousand euros, with 607 thousand euros drawn down and a repayment term of three years, which is scheduled to end on 27 June 2021. In addition, it should be noted that on 23 April 2018 a loan was granted to Ms Matilde Fernández de Miguel, spouse of Mr Santiago González Enciso for 175 thousand euros, with no amounts drawn down in 2018 and a repayment term that ends on 22 April 2021.

With regard to the interest rate, all loans were granted at 12M Euribor plus 1.75%. The specifics and the liabilities taken therefor by way of collateral and the interest rate are those set in section C.1.a.iv) below.

On the other hand, during 2018 the loans granted to Eduardo Trueba Cortés and to the company Vasco Madrileña de Inversiones, S.L., of which Mr Juan Carlos Ureta Domingo is the majority shareholder, were cancelled, and they currently hold no loans granted by the Company.

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- The nature and estimated amount of any expected additional remuneration not included in the foregoing sections, whether satisfied by the entity or another group entity, which will accrue to the directors in the current year.

The directors of the Company have not accrued any remuneration for any other supplementary remuneration not included in previous sections

A.2. Explain any relevant changes in the remuneration policy applicable during the year in progress arising from:

- A new policy or an amendment to the policy already approved by the General Meeting.
- Relevant changes in the specific determinations established by the board for the year in progress in the current remuneration policy in relation to those applied during the previous year.
- Any proposals that the board of directors agreed to present to the general meeting of shareholders to which this annual report will be submitted, proposing that they should apply to the year in progress.

In 2018 there were no substantial changes, or substantial modifications in the remuneration policy previously approved by the General Meeting, or significant changes that the Board of Directors resolved to submit to the General Meeting.

With regard to the current year, the Remuneration Policy includes changes to last year's parameters used to determine the variable remuneration of executive directors. These variations are necessary to adjust such remuneration to the Company's economic-financial targets for the year in progress.

A.3. Identify the direct link to the document setting out the current remuneration policy of the company, which must be available on the company's website.

[https://www.renta4banco.com/uploads/5c88c98001a8bnf_POL%C3%8DTICA%20REMUNERACI%C3%93N%20_\(RENTA%204%202019_\)Consejeros.pdf](https://www.renta4banco.com/uploads/5c88c98001a8bnf_POL%C3%8DTICA%20REMUNERACI%C3%93N%20_(RENTA%204%202019_)Consejeros.pdf)

A.4. Explain, in due consideration of the data supplied in section B.4, how the voting of shareholders at the general meeting to which the annual remuneration report for the previous year was submitted for and advisory vote was taken into account.

The annual remuneration report for the previous year was unanimously approved by the General Meeting, as stated in section B.4, having been approved by 100% of the votes in favour. Consequently, the Entity has considered it appropriate to continue with a policy of remuneration for directors whose purpose is to align it with the interests of shareholders, seeking prudent management of activity minimizing inherent risks to the same, and rewarding the work of Company personnel in achieving this purpose. All this in order to contribute to the Company meeting its strategic objectives within the framework in which it carries out its activity.

B. OVERVIEW OF THE APPLICATION OF THE REMUNERATION POLICY IN THE COURSE OF THE PREVIOUS YEAR

B.1. Explain the process carried out to apply the remuneration policy and determine the individual remuneration set out in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and,

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where appropriate, the identity and role of the external advisers whose services have been used in the process of application of the remuneration policy in the year.

The Board of Directors, at its meeting held on 13 March 2018 and at the proposal of the Appointments and Remuneration Committee, resolved, under point nine of the Agenda, to approve the Remuneration Policy for 2018 and, in turn, to submit it for approval by the General Meeting of Shareholders, which approved this policy with 100% of votes of the present and represented share capital in favour at its ordinary general meeting of 27 April 2018, in accordance with the responsibility, functions attributed and level of commitment taken on by the Renta 4 directors.

Likewise, the Board of Directors, at its meeting of 11 March 2019, and pursuant to the process of assessment of the Board, its Committees, the Chairman, the Managing Director and the Coordinating Director, as well as the performance of the Company in 2018 through the results included in the financial statements, has determined, in accordance with the Remuneration Policy in force, the variable remuneration due to directors with executive functions specified in section D below.

B.2. Indicate the action taken by the company in relation to the remuneration system and how it has helped reduce exposure to excessive risks and adjust it to the company's long-term objectives, values and interests, including a reference to the measures adopted to ensure that the remuneration accrued has been based on the company's long-term results and has secured a proper balance between the fixed and variable components of remuneration, what measures have been taken in relation to personnel categories whose professional activities have a material impact on the company's risk profile, and what measures have been adopted to prevent conflicts of interest, if any.

In relation to the measures envisaged to guarantee that the Remuneration Policy takes into account the long-term results of the Company, section A.1. below includes the objective criteria relating to the Company's results applied to determine directors' variable remuneration.

In addition, the Company's Remuneration Policy finds a suitable balance between the fixed and variable items in the remuneration considering that, as shown in section A.1. above, the variable remuneration set for 2018 is based on the fulfilment of the objective criteria defined by the Board, always linked to the objective results of the Company and subject to the Remuneration Policy approved at the Ordinary General Meeting of 27 April 2018.

Likewise, as regards the measures adopted in relation to categories of personnel whose professional activities have a material impact on the Company's risk profile, the Company adopts the same measures in this respect as for executive directors, which are included in section A.1 above. These, in particular, relate to establishing the variable remuneration based on targets linked to the Company's net profit and the level of default of the Renta 4 Group.

Lastly, in relation to the clawback formulae or clauses to claim back the variable remuneration items, it is envisaged that, should the assessments conclude a deficient performance, the Company may reduce the deferred variable remuneration and/or claim the reimbursement of the variable remuneration already paid, up to a maximum of 100%, in either case. These assessments will analyse the subsequent performance according to the criteria (indicated in section A.1 above, as they are the same for the current year and the reported year), which contributed to achieving the objectives, comparing it with the initial performance assessment and will be approved by the Board of Directors at the end of the year such variable remuneration refers to.

B.3. Explain how the remuneration accrued during the year meets the provisions of the remuneration policy in force.

Report also on the relationship between the remuneration obtained by the directors and the results or other measures of performance, in the short and long term, of the entity, explaining, where appropriate, how the variations in the company's performance may have influenced in the variation of directors' remunerations, including accrued remunerations whose payment has been deferred, and how these contribute to the Company's short and long-term results.

Based on the Company's director remuneration policy for 2018 indicated in section B.7 below, the executive directors' remuneration is linked to the results produced by the Company. In this regard, and in accordance with what is indicated in this section, certain variable remuneration is conditional upon the fulfilment of the indicators also included in section B.7. below.

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In 2018, the total remuneration of the Company's directors in their capacity as such was 622,176 euros, in observance of the maximum amount of 884,352 euros for this item as established in the Remuneration Policy. The individual remuneration of each director in his capacity as such consisted of a fixed annual amount, as established in said policy. Executive directors did not receive remuneration for their membership of the Board of Directors or of its committees; nor did they receive any annual fixed amounts, or attendance fees for meetings of the Board of Directors. In this regard, the executive directors received remuneration in the amounts to which they were entitled by virtue of their respective contracts drawn up with the Company, pursuant to the Remuneration Policy. At a meeting on 29 January 2019, at the behest of the ARC, the Board of Directors determined the sums of the annual variable remuneration of executive directors accrued in 2018.

For the purposes of determining the variable remuneration accrued to the executive directors, consideration was given to professional engagement and excellence, the level of achievement of the targets of the annual budget, investment targets, and the result of assessment of the performance of their duties, in relation to which a variable remuneration of 15% was determined in relation to the fixed annual remuneration to which each director is entitled. Section B.7 of this report contains more information in connection with these conditions.

B.4 Indicate the result of the advisory vote at the general meeting on the annual report on the remunerations from the previous year, showing the number of votes against it, if any.

	Number	% of total
Votes cast	28,865,036	100.00
	Number	% of votes cast
Dissenting votes		0.00
Affirmative votes	28,865,036	100.00
Abstentions		0.00

Observations

B.5. Explain how the fixed items accrued during the year by the directors have been determined in their capacity as such, and how they have changed from the previous year.

The Board of Directors, at its meeting held on 13 March 2018 and at the proposal of the ARC, resolved, under point nine of the Agenda, to approve the Remuneration Policy for 2018 and, in turn, to submit it for its approval by the General Meeting of Shareholders, which approved the policy at its ordinary meeting on 27 April 2018, taking into account the market standards to determine the fixed annual remuneration for the performance of their duties as members of the Board of Directors.

In this regard, the non-executive directors, in their capacity as such, in fiscal year 2018 received a fixed annual amount for the performance of their duties as members of the Board of Directors in the amount of 60,000 euros for each of the directors who are individuals and 71,088 euros for each of the directors who are legal entities, with the same fixed annual remuneration received by each of them in 2017, therefore not varying compared to the previous year.

B.6. Explain how the salaries accrued during the year to each of the executive directors for carrying out management functions were determined, and how they changed in relation to the previous year.

In accordance with the Remunerations Policy approved at the ordinary general meeting of 27 April 2018, during 2018 the remuneration paid to the directors was:

- Mr Juan Carlos Ureta Domingo, Executive Chairman received a fixed annual remuneration of 300,000 euros gross.
- Mr Juan Luis López García, CEO received a fixed annual remuneration of 275,000 euros gross.
- Mr Jesús Sánchez-Quñones González, Director and General Manager, received a fixed annual remuneration of 275,000 euros gross.
- The Director and Regional Manager Mr Santiago González Enciso received a fixed annual remuneration of 75,000 euros gross.

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The fixed remuneration paid to executive directors has changed from 889,000 euros in 2017 (Mr Juan Carlos Ureta Domingo, 300,000 euros, Mr Juan Luis López García and Mr Jesús Sánchez-Quiñones González, 260,000 euros each, and Mr Santiago González Enciso 69,000 euros) to a fixed remuneration of 925,000 euros in 2018 (Mr Juan Carlos Ureta Domingo, 300,000 euros, Mr Juan Luis López García and Mr Jesús Sánchez-Quiñones González, 275,000 euros each, and Mr Santiago González Enciso 75,000 euros), which represented an increase of 4% in 2018 over 2017.

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

In particular:

- Identify each of the remuneration plans that determined the different variable remuneration packages accrued by each of the directors in the course of the year, including information on their scope, the date of approval, date of implementation, periods of accrual and validity, criteria used to assess performance and how this affected the establishment of the variable amount accrued, and the measurement criteria used and the timeline required to enable all the conditions and criteria stipulated to be properly measured.

In the case of share option plans and other financial instruments, the plan's general features will include information on the conditions for securing unconditional ownership (consolidation) and for exercising such options or financial instruments, including the price and exercise timeline.

- Each of the directors, and their category (executive directors, external proprietary directors, external independent directors or other external directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.
- Where appropriate, information will be provided in relation to any periods established for the accrual or deferral of payment that may have been applied, and/or retention/non-availability periods for shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

The 2018 Remuneration Policy establishes that non-executive directors shall not have a Variable Remuneration Plan.

As regards executive directors, the variable remuneration model established in the 2018 Remuneration Policy is as follows:

1) Variable remuneration of Mr Juan Carlos Ureta Domingo, as Executive Chairman.

Mr Juan Carlos Ureta Domingo will receive an Annual Variable Remuneration ("AVR"), consisting of up to a maximum of 100% of the Fixed Annual Remuneration ("FAR").

The Annual Variable Remuneration is determined by the amount accrued depending on the fulfilment of year's targets linked to the Group's Net Profit (hereinafter, the "Year's targets on Profits") that were set by the Board of Directors taking into account the responsibilities and functions attached to the position, as well as any others that the Board of Directors may have assigned to the Chairman.

In line with the principles of the Renta 4 Remuneration Policy, in addition to applying the criteria of moderation and proportionality to the results of the Renta 4 Group, solid and effective risk management should be favoured. For this reason, the Annual Variable Remuneration will be received if the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the Equity at year end, and when such levels are not attributed to the Company's actions, when the risk levels and limits allowed and established by the EBA (European Bank Authority) or any other competent organisation are exceeded, due to deficient control systems used by the Renta 4 Group or any other cause attributed to the Company's inaction or poor practices.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart: Net Profit: $X < €14M = 0\%$ of Fixed Annual Remuneration.

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Net Profit: $14 < X > €15M$ = 10% of Fixed Annual Remuneration.
Net Profit: $15 < X > €16M$ = 15% of Fixed Annual Remuneration.
Net Profit: $16 < X > €17M$ = 35% of Fixed Annual Remuneration.
Net Profit: $17 < X > €18M$ = 55% of Fixed Annual Remuneration.
Net Profit: $18 < X > €19M$ = 65% of Fixed Annual Remuneration.
Net Profit: $19 < X > €20M$ = 85% of Fixed Annual Remuneration.
Net Profit: $X > €20M$ = 100% of Fixed Annual Remuneration.

2) Variable Remuneration of CEO and of the Director and General Manager

The 2018 Remuneration Policy establishes that the CEO, Mr Juan Luis López García and the Director and General Manager Mr Jesús Sánchez-Quíñones González will receive an Annual Variable Remuneration ("AVR") of up to 100% of the Fixed Annual Remuneration ("FAR"). The amount of the same will be accrued depending on the level of fulfillment of the year's targets set by the Board, taking into account the responsibilities and duties attached to the position or any other assigned.

The Annual Variable Remuneration is determined by the amount accrued depending on the level of fulfillment of the year's targets linked to the Group's Net Profit (hereinafter, the "Year's Targets on Profits") that were set by the Board of Directors taking into account the responsibilities and functions attached to the position, as well as any others that the Board of Directors may have assigned to the CEO and Director and General Manager.

The Annual Variable Remuneration will be paid provided that the levels of default or bad debt losses of the Renta 4 Group during the financial year are lower than 5% of the Equity at year-end and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the European Banking Authority (EBA) or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

The Year's Targets are calculated on the basis of the Renta 4 Group's Net Profit calculated as follows:

Net Profit: $X < €14M$ = 0% of Fixed Annual Remuneration.
Net Profit: $14 < X > €15M$ = 10% of Fixed Annual Remuneration.
Net Profit: $15 < X > €16M$ = 15% of Fixed Annual Remuneration.
Net Profit: $16 < X > €17M$ = 35% of Fixed Annual Remuneration.
Net Profit: $17 < X > €18M$ = 55% of Fixed Annual Remuneration.
Net Profit: $18 < X > €19M$ = 65% of Fixed Annual Remuneration.
Net Profit: $19 < X > €20M$ = 85% of Fixed Annual Remuneration.
Net Profit: $X > €20M$ = 100% of Fixed Annual Remuneration.

3) Variable Remuneration of the Director and Regional Manager

The Director and Regional Manager will receive an Annual Variable Remuneration ("AVR") of up to 100% of the Fixed Annual Remuneration ("FAR"). This amount will be accrued depending on the level of fulfillment of the year's targets set by the Board, taking into account the responsibilities and duties attached to the position or those assigned.

The Annual Variable Remuneration will be determined by the amount accrued in accordance with fulfillment of the year's targets linked to the Group's Net Profit (hereinafter, the "Year's Targets on Profits") which shall be set by the Board of Directors, in accordance with the responsibilities and functions of the position, as well as any others that are specifically assigned by the Board of Directors to the Director and Regional Manager.

The Annual Variable Remuneration will be paid provided that the levels of defaults or bad debt losses of the Renta 4 Group during the financial year are lower than 5% of the Equity at year-end and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits permitted and established by the European Banking Authority (EBA) or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as follows: Net Profit: $X < €14M$ = 0% of Fixed

Annual Remuneration.

Net Profit: $14 < X > €15M$ = 10% of Fixed Annual Remuneration.
Net Profit: $15 < X > €16M$ = 15% of Fixed Annual Remuneration.
Net Profit: $16 < X > €17M$ = 35% of Fixed Annual Remuneration.
Net Profit: $17 < X > €18M$ = 55% of Fixed Annual Remuneration.
Net Profit: $18 < X > €19M$ = 65% of Fixed Annual Remuneration.
Net Profit: $19 < X > €20M$ = 85% of Fixed Annual Remuneration.
Net Profit: $X > €20M$ = 100% of Fixed Annual Remuneration.

Sixty percent of the variable remuneration due to the Executive Chairman, Chief Executive Officer, General Director and the Regional Director shall be paid within a maximum period of 15 days following the assessment, and in any case before the end of the month of March of the calendar year following the year in which such remuneration is accrued, March 2019). The remaining 40% will be subject to a three-year deferral period, the accrual and payment satisfied at a rate of a maximum of 13% in the first year of deferral, a maximum of 13% in the second year of deferral and a maximum of 14% in the third year of deferral. The payment due must be made before the end of the month of March of the calendar year following each of the years in which the deferral has taken place. For the

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vesting of the accrual and payment of 40% of the deferred Annual Variable Remuneration, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, will conduct an assessment at the end of each year of the deferral period, based on keeping up the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the reported period.

The payment of the variable remuneration, both the 60% and the deferred 40%, will be performed 50% in cash and the other 50% in shares. To calculate the number of shares accrued to be delivered, the average market value of the share during the last 20 business days of the corresponding year will be used, where the shares are non-transferable during a period of 12 months following delivery.

Therefore, as the Group's Net Profit in 2018 was €15,761 million and the default level was less than 5%, the level of fulfilment of the year's targets set in the 2018 Remuneration Policy establishes that executive directors are entitled to receive a global Total Annual Variable Remuneration ("AVR") for 2018 for all of them of a global amount of €138,750. Specifically, the resulting total VAR for 2018 amounts to 45,000 euros for the Executive Chairman, 41,250 euros for the Chief Executive Officer, 41,250 euros for the Director and General Manager and 11,250 euros for the Regional Manager.

Of the resulting total VAR for 2018, 60% of this amount will be paid during the first quarter of 2019 and the remaining 40% will be deferred to the following three fiscal years; 2020, 2021 and 2022. The payment of the variable remuneration, both the 60% and the deferred 40%, will be performed 50% in cash and the other 50% in shares.

Therefore, during the first quarter of 2019, the Entity will pay the Executive Directors 60% of the Total Annual Variable Remuneration for 2018, 50% in cash and the other 50% in shares. Specifically, the Executive Chairman will receive 27,000 euros (13,500 in cash and 13,500 in shares), the CEO 24,750 euros (12,375 in cash and 12,375 in shares), the General Manager 24,750 euros (12,375 in cash and 12,375 in shares) and the Regional Manager 6,750 euros (3,375 in cash and 3,375 in shares).

The other amounts corresponding to the deferred 40%, will be paid in the following three years (2020, 2021 and 2022), as established in the 2018 Remuneration Policy.

Finally, in relation to the AVR for 2017, 60% of which was paid during the first quarter of 2018, with the other 40% deferred to the following three years, the Board, at the proposal of the ARC, during the first quarter of 2019, conducted the performance assessment of the Executive Chairman, the CEO, the General Manager and the Director and Regional Manager on the basis of keeping up the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the reported period, where the result of the assessment was positive for all of them.

For this reason, during the first quarter of 2019, the Entity will pay the executive directors the first third (1/3) of the 40% deferred of the AVR for 2017, that is, 13% of the 2017 AVR, with 50% in cash and the other 50% in shares.

Specifically, Mr Juan Carlos Ureta Domingo, the Executive Chairman, will receive 24,000 euros, 50% in cash (12,000) and the other 50% in shares (12,000), Mr. Juan Luis López García, the CEO and Mr Jesús Sanchez-Quiñones González, Director and General Manager will each receive 20,800 euros, 50% in cash (10,400) and the other 50% in shares (10,400) and Mr. Santiago González Enciso, Director and Regional Manager will receive the amount of 5,520 euros, (2,760) in cash and (2,760) in shares.

Consequently, of the deferred 2017 AVR, two thirds (2/3) of the 40% of the deferred AVR, i.e. one third (1/3) for each of the years, should be paid in the following years, 2020 and 2021, if the annual assessment and the results of the Company so allow it.

With regard to the decisions taken by the Board to apply these items, the Board of Directors proceeded, at the proposal of the ARC, to review and approve the Remuneration Policy for 2018 at its meeting held on 13 March 2018. It also approved the Annual Report on Directors' Remuneration at the same meeting.

Likewise, and taking into account the performance of the Company's activity and volume of business, the Board of Directors agreed on the variable remuneration of the executive directors for 2018, in accordance with the Remuneration Policy, at its meeting held on 29 January 2019.

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

B.8. State whether any variable components have been reduced or a refund has been claimed when, in the former case, payment has been consolidated and deferred or, in the latter case, consolidated and paid, in accordance with data subsequently shown to be manifestly inaccurate. Describe the amounts reduced or refunded by the application of the reduction or clawback clauses, why they have been executed and to what years they relate.

No variable components have been reduced or clawed back from any director.

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B.9. Explain the main features of the long-term savings systems the amount or annual equivalent cost of which is set out in the boxes in Section C, including retirement and any other survival benefit, wholly or partially financed by the Company, recognised either internally or externally, indicating the type of plan, whether it is defined-contribution or defined-benefit, the contingencies it covers, the conditions of consolidation of economic rights for directors and the compatibility with any type of compensation for early termination or cessation of the contractual relationship between the Company and the director.

The Company has not undertaken any pension, retirement or similar obligations with non-executive directors.

In relation to the executive directors, since 2007 the Company has been covering the contingencies of retirement, incapacity for work, death, severe dependency or heavy dependency through the creation of defined contribution employment plans, i.e. whereby the Company is required to make fixed contributions to a third party, outsourced, through the creation of Pension Plans and the taking out, by these, of insurance policies with a company outside the Entity.

With regard to the cover and consolidation under the regulations on Pension Plans to which each executive director contributes 600 euros per year and which are compatible with the compensation foreseen in paragraphs A.8 and A.9 (with the same contents for the current year and for the reported year), the contributions made in 2018, and the accumulated amounts specified in C.1.a) iii below.

B.10. Explain, where applicable, the indemnities or any other type of payment arising from early departure, either at the behest of the company or the wishes of the director, or from termination of the contract, in the terms set out therein, that were accrued and/or collected by directors during the year.

The directors of the Company did not accrue or receive any remuneration in this connection in 2018.

B.11. State whether any significant amendments were made to the contracts of those carrying out senior management functions as executive directors and, where applicable, explain them. Also explain the main conditions of the new contracts signed with executive directors in the course of the year, unless these have already been explained in section A.1.

In 2018 none of the contracts of executive directors were amended.

B.12. Explain any supplementary remuneration accrued to directors in consideration for services rendered other than those inherent in their position.

During 2018, no director received any supplementary remuneration in consideration for services rendered other than those inherent in their position.

B.13. Explain any remuneration arising from the approval of advances, credits and guarantees, specifying the interest rate, their specifics and any amounts ultimately repaid, as well as the obligations accepted on their behalf as security.

During 2018, the loans granted to Eduardo Trueba Cortés and to the company Vasco Madrileña de Inversiones, S.L., of which Mr Juan Carlos Ureta is the majority shareholder, were cancelled, and they currently hold no loans granted by the Company.

On the other hand, in 2018 several loans were granted on 9 July 2018 to Mr. Francisco García Molina in the amount of 200 thousand euros with a repayment term of four years that ends on 8 July 2022, with 198 thousand euros having been drawn down. On 28 June 2018, Mr Santiago González Enciso was granted a loan of 775 thousand euros, with 607 thousand euros drawn down and a repayment term of three years, which is scheduled to end on 27 June 2021. In addition, on 23 April 2018 a loan was granted to Ms Matilde Fernández de Miguel, spouse of Mr Santiago González Enciso for 175 thousand euros, with no amounts drawn down in 2018 and a repayment term that ends on 22 April 2021.

And Mr Pedro Ángel Navarro Martínez holds a loan amounting to 1000 thousand euros granted on 13 November 2017, of which 798 thousand euros were drawn down, with a repayment term that ends on 12 November 2019.

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With regard to the interest rate, all loans were granted at 12M Euribor plus 1.75%. The specifics and the liabilities taken therefor by way of collateral and the interest rate are those set in section C.1.a.iv) below.

B.14. State the cash remuneration accrued to directors in the course of the year, with a brief description of the nature of the various components of remuneration.

The directors of the Company did not accrue any remuneration for this item except for that shown in section B.9 above.

B.15. Explain the remuneration accrued by the director in respect of payments made by the listed Company to a third party to whom the director renders services, when such payments are for remunerating the services it renders to the company.

The directors of the Company did not accrue any remuneration in this regard.

B.16. Explain any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be deemed a related-party transaction or when its omission would detract from the fair presentation of the total remuneration earned by the director.

The directors of the Company did not accrue any remuneration in this regard.

C. DETAILS OF THE INDIVIDUAL REMUNERATION OF EACH DIRECTOR

Name	Type	Accrual period 2018
MR EDUARDO CHACON LOPEZ	Proprietary Director	From 01/01/2018 to 31/12/2018
MR PEDRO FERRERAS DIEZ	Other external director	From 01/01/2018 to 31/12/2018
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	Proprietary Director	From 01/01/2018 to 31/12/2018
MR FRANCISCO DE ASIS GARCÍA MOLINA	Independent Director	From 01/01/2018 to 31/12/2018
MS SARAH MARIE HARMON	Independent Director	From 01/01/2018 to 31/12/2018
MS INES JUSTE BELLOSILLO	Independent Director	From 01/01/2018 to 31/12/2018
MUTUALIDAD DE LA ABOGACIA	Proprietary Director	From 01/01/2018 to 31/12/2018
MR PEDRO ANGEL NAVARRO MARTINEZ	Other external director	From 01/01/2018 to 31/12/2018
MR JOSE RAMON RUBIO LAPORTA	Independent Director	From 01/01/2018 to 31/12/2018
MR EDUARDO TRUEBA CORTES	Independent Director	From 01/01/2018 to 31/12/2018
MR JUAN LUIS LOPEZ GARCIA	Chief Executive Officer	From 01/01/2018 to 31/12/2018
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	Executive Director	From 01/01/2018 to 31/12/2018
MR JUAN CARLOS URETA DOMINGO	Executive Chairman	From 01/01/2018 to 31/12/2018
MR SANTIAGO GONZALEZ ENCISO	Executive Director	From 01/01/2018 to 31/12/2018

C.1. Complete the following tables in respect of the individual remuneration of each of the directors (including remuneration for the discharge of executive functions) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accrued in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2018	Total 2017
MR EDUARDO CHACON LOPEZ	60								60	35
MR PEDRO FERRERAS DIEZ	60								60	60
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	71								71	71
MR FRANCISCO DE ASIS GARCÍA MOLINA	60								60	60
MS SARAH MARIE HARMON	60								60	60
MS INES JUSTE BELLOSILLO	60								60	35
MUTUALIDAD DE LA ABOGACIA	71								71	71
MR PEDRO ANGEL NAVARRO MARTINEZ	60								60	60
MR JOSE RAMON RUBIO LAPORTA	60								60	60
MR EDUARDO TRUEBA CORTES	60								60	60
MR JUAN LUIS LOPEZ GARCIA	275				47	6			328	268
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	276				47	6			329	268
MR JUAN CARLOS URETA DOMINGO	300				54	7			361	307
MR SANTIAGO GONZALEZ ENCISO	75				12				87	69

Observations

ii) Table showing movements in share-based remuneration systems and gross profit of shares or consolidated financial instruments.

Name	Name of Plan	Financial instruments at the beginning of 2018		Financial instruments granted in 2018		Financial instruments vested in the year				Instruments matured and	Financial instruments at the end of 2018	
		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 shares or vested financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR EDUARDO CHACON LOPEZ	Plan							0.00				
MR PEDRO FERRERAS DIEZ	Plan							0.00				
FUNDACION OBRA SOCIAL ABOGACIA ESPAÑOLA	Plan							0.00				
MR FRANCISCO DE ASIS GARCÍA MOLINA	Plan							0.00				
MS SARAH MARIE HARMON	Plan							0.00				
MS INES JUSTE BELLOSILLO	Plan							0.00				
MUTUALIDAD DE LA ABOGACIA	Plan							0.00				
MR PEDRO ANGEL NAVARRO MARTINEZ	Plan							0.00				
MR JOSE RAMON RUBIO LAPORTA	Plan							0.00				
MR EDUARDO TRUEBA CORTES	Plan							0.00				
MR JUAN LUIS LOPEZ GARCIA	Shares Variable Remuneration (Remuneration plan)	78		47	4,088	47	4,088	7.36			31	

**ANNUAL REPORT ON REMUNERATION OF
DIRECTORS OF LISTED PUBLIC LIABILITY COMPANIES**

Name	Name of Plan	Financial instruments at the beginning of 2018		Financial instruments granted in 2018		Financial instruments vested in the year				Instruments matured and	Financial instruments at the end of 2018	
		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 shares or vested financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR JUAN LUIS LOPEZ GARCIA	Shares Variable Remuneration (Remuneration plan 2014) Deferred	6		6	815	6	815	7.36				
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	Shares Variable Remuneration (Remuneration plan 2014) Deferred	6		6	815	6	815	7.36				
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	Shares Variable Remuneration (Remuneration plan 2014) Deferred	78		47	4,084	47	4,084	7.36			31	
MR JUAN CARLOS URETA DOMINGO	Shares Variable Remuneration (Remuneration plan 2014) Deferred	7		7	951	7	951	7.36				
MR JUAN CARLOS URETA DOMINGO	Shares Variable Remuneration (Remuneration plan 2014) Deferred	90		54	4,485	54	4,485	7.36			36	
MR SANTIAGO GONZALEZ ENCISO	Shares Variable Remuneration	21		12	1,669	12	1,669	7.36			9	

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIABILITY COMPANIES

Name	Name of Plan	Financial instruments at the beginning of 2018		Financial instruments granted in 2018		Financial instruments vested in the year				Instruments matured and	Financial instruments at the end of 2018	
		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 shares or vested financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
	Remuneration 2017)											

Observations

In 2018 part of the variable remuneration paid to the executive directors, Mr Juan Carlos Ureta Domingo, Mr Juan Luis López García and Mr Jesús Sánchez-Quiñones González, corresponds to the variable remuneration accrued in 2014, 40% of which was deferred by thirds in the following three years (2016, 2017 and 2018). Specifically, the total VR corresponding to 2014, deferred and paid in 2018, amounted to 19 thousand euro in shares, with Mr Juan Carlos Ureta Domingo receiving 7 thousand euro, Mr Juan Luis López García and Mr Jesús Sánchez-Quiñones González receiving 6 thousand euros each.

Of the variable remuneration in shares paid to the executive directors during 2018, the other part relates to variable remuneration accrued in 2017, in which it was agreed that 60% of the remunerations would be paid during the first quarter of 2018 and the remaining 40% would be deferred in the following three years; 2019, 2020 and 2021, with one third to be paid each year. The total remuneration would be paid 50% in cash and the other 50% in Shares.

Consequently, in 2018 the Total Variable Remuneration amounted to 533 thousand euros, and 60% of the Total VR for 2017 was paid to the executive directors, amounting to 320 thousand euros, of which 160 thousand euros were paid in cash and 160 thousand euros in shares, including the payment on account for the remuneration in kind of the shares. Specifically, Mr Juan Carlos Ureta Domingo was due to receive 54 thousand euros in shares and Mr Juan Luis López García and Mr Jesús Sánchez-Quiñones González were due to receive 47 thousand euros in shares each. All the above is included in section C.1.A., 2.ii, which includes the amounts accrued at the beginning of fiscal year 2018, the shares paid in 2018, as well as the deferred amounts in shares for each of the executive directors.

iii) Long-term savings systems

Name	Remuneration for vesting of rights to savings systems
MR EDUARDO CHACON LOPEZ	
MR PEDRO FERRERAS DIEZ	
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	

Name	Remuneration for vesting of rights to savings systems
MR FRANCISCO DE ASIS GARCÍA MOLINA	
MS SARAH MARIE HARMON	
MS INES JUSTE BELLOSILLO	
MUTUALIDAD DE LA ABOGACIA	
MR PEDRO ANGEL NAVARRO MARTINEZ	
MR JOSE RAMON RUBIO LAPORTA	
MR EDUARDO TRUEBA CORTES	
MR JUAN LUIS LOPEZ GARCIA	1
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	1
MR JUAN CARLOS URETA DOMINGO	1
MR SANTIAGO GONZALEZ ENCISO	1

Name	Contribution for the period by the Company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
MR EDUARDO CHACON LOPEZ								
MR PEDRO FERRERAS DIEZ								
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA								

Name	Contribution for the period by the Company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
MR FRANCISCO DE ASIS GARCÍA MOLINA								
MS SARAH MARIE HARMON								
MS INES JUSTE BELLOSILLO								
MUTUALIDAD DE LA ABOGACIA								
MR PEDRO ANGEL NAVARRO MARTINEZ								
MR JOSE RAMON RUBIO LAPORTA								
MR EDUARDO TRUEBA CORTES								
MR JUAN LUIS LOPEZ GARCIA	1	1			11	13		
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	1	1			13	14		
MR JUAN CARLOS URETA DOMINGO	1	1			11	13		
MR SANTIAGO GONZALEZ ENCISO	1	1			9	10		

Observations

iv) Detail of other items

Name	Item	Amount of remuneration
MR EDUARDO CHACON LOPEZ	Item	
MR PEDRO FERRERAS DIEZ	Item	
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	Item	
MR FRANCISCO DE ASIS GARCÍA MOLINA	Item	
MS SARAH MARIE HARMON	Item	
MS INES JUSTE BELLOSILLO	Item	
MUTUALIDAD DE LA ABOGACIA	Item	
MR PEDRO ANGEL NAVARRO MARTINEZ	Item	
MR JOSE RAMON RUBIO LAPORTA	Item	
MR EDUARDO TRUEBA CORTES	Item	
MR JUAN LUIS LOPEZ GARCIA	Item	
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	Item	
MR JUAN CARLOS URETA DOMINGO	Item	
MR SANTIAGO GONZALEZ ENCISO	Item	

Observations

The Company currently has credit facilities in the benefit of the following directors:

On 9 July 2018, Mr Francisco García Molina was granted a loan of 200 thousand euros, with a four-year repayment term, which ends on 8 July 2022. In 2018, he drew down 198 thousand euros.

Mr Pedro Ángel Navarro Martínez was granted a loan amounting to 1000 thousand euros on 13 November 2017, of which 798 thousand euros were drawn down, with a repayment term that ends on 12 November 2019.

On 28 June 2018, Mr Santiago González Enciso was granted a loan of 775 thousand euros, with 607 thousand euros drawn down and a repayment term of three years, which is scheduled to end on 27 June 2021. In addition, it should be noted that on 23 April 2018 a loan was granted to Ms Matilde Fernández de Miguel, spouse of Mr Santiago González Enciso for 175 thousand euros, with no amounts drawn down in 2018 and a repayment term that ends on 22 April 2021.

With regard to the interest rate, all loans were granted at 12M Euribor plus 1.75%. On the other hand, during 2018 the loans granted to Eduardo Trueba Cortés and to the company Vasco Madrileña de Inversiones, S.L., of which Mr Juan Carlos Ureta Domingo is the majority shareholder, were cancelled, and they currently hold no loans granted by the Company.

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

i) Remuneration accrued in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2018	Total 2017
MR EDUARDO CHACON LOPEZ										
MR PEDRO FERRERAS DIEZ										
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA										
MR FRANCISCO DE ASIS GARCÍA MOLINA										
MS SARAH MARIE HARMON										

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2018	Total 2017
MS INES JUSTE BELLOSILLO										
MUTUALIDAD DE LA ABOGACIA										
MR PEDRO ANGEL NAVARRO MARTINEZ										
MR JOSE RAMON RUBIO LAPORTA										
MR EDUARDO TRUEBA CORTES										
MR JUAN LUIS LOPEZ GARCIA										
MR JESUS SANCHEZ-QUIÑONES GONZALEZ										
MR JUAN CARLOS URETA DOMINGO										
MR SANTIAGO GONZALEZ ENCISO										

Observations

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ii) Table showing movements in share-based remuneration systems and gross profit of shares or consolidated financial instruments.

Name Name of Plan		Financial instruments at the beginning of 2018		Financial instruments granted in 2018		Financial instruments vested in the year				Instruments matured and	Financial instruments at the end of 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/veste d shares	Price of vested shares	Gross Profit from shares or vested financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR EDUARDO CHACON LOPEZ	Plan							0.00				
MR PEDRO FERRERAS DIEZ	Plan							0.00				
FUNDACION OBRA SOCIAL ABOGACIA ESPAÑOLA	Plan							0.00				
MR FRANCISCO DE ASIS GARCÍA MOLINA	Plan							0.00				
MS SARAH MARIE HARMON	Plan							0.00				
MS INES JUSTE BELLOSILLO	Plan							0.00				
MUTUALIDAD DE LA ABOGACIA	Plan							0.00				
MR PEDRO ANGEL NAVARRO MARTINEZ	Plan							0.00				

Name Name of Plan		Financial instruments at the beginning of 2018		Financial instruments granted in 2018		Financial instruments vested in the year				Instruments matured and	Financial instruments at the end of 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/veste d shares	Price of vested shares	Gross Profit from shares or vested financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR JOSE RAMON RUBIO LAPORTA	Plan							0.00				
MR EDUARDO TRUEBA CORTES	Plan							0.00				
MR JUAN LUIS LOPEZ GARCIA	Plan							0.00				
MR JESUS SANCHEZ- QUIÑONES GONZALEZ	Plan							0.00				
MR JUAN CARLOS URETA DOMINGO	Plan							0.00				
MR SANTIAGO GONZALEZ ENCISO	Plan							0.00				

Observations

iii) Long-term savings systems.

Name	Remuneration for vesting of rights to savings systems
MR EDUARDO CHACON LOPEZ	
MR PEDRO FERRERAS DIEZ	
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	
MR FRANCISCO DE ASIS GARCÍA MOLINA	
MS SARAH MARIE HARMON	
MS INES JUSTE BELLOSILLO	
MUTUALIDAD DE LA ABOGACIA	
MR PEDRO ANGEL NAVARRO MARTINEZ	
MR JOSE RAMON RUBIO LAPORTA	
MR EDUARDO TRUEBA CORTES	
MR JUAN LUIS LOPEZ GARCIA	
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	
MR JUAN CARLOS URETA DOMINGO	
MR SANTIAGO GONZALEZ ENCISO	

Name	Contribution for the period by the Company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
MR EDUARDO CHACON LOPEZ								
MR PEDRO FERRERAS DIEZ								
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA								
MR FRANCISCO DE ASIS GARCÍA MOLINA								
MS SARAH MARIE HARMON								
MS INES JUSTE BELLOSILLO								
MUTUALIDAD DE LA ABOGACIA								
MR PEDRO ANGEL NAVARRO MARTINEZ								
MR JOSE RAMON RUBIO LAPORTA								
MR EDUARDO TRUEBA CORTES								
MR JUAN LUIS LOPEZ GARCIA								
MR JESUS SANCHEZ-QUIÑONES GONZALEZ								

Name	Contribution for the period by the Company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
MR JUAN CARLOS URETA DOMINGO								
MR SANTIAGO GONZALEZ ENCISO								

Observations

iv) Detail of other items

Name	Item	Amount of remuneration
MR EDUARDO CHACON LOPEZ	Item	
MR PEDRO FERRERAS DIEZ	Item	
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	Item	
MR FRANCISCO DE ASIS GARCÍA MOLINA	Item	
MS SARAH MARIE HARMON	Item	
MS INES JUSTE BELLOSILLO	Item	
MUTUALIDAD DE LA ABOGACIA	Item	
MR PEDRO ANGEL NAVARRO MARTINEZ	Item	
MR JOSE RAMON RUBIO LAPORTA	Item	

Name	Item	Amount of remuneration
MR EDUARDO TRUEBA CORTES	Item	
MR JUAN LUIS LOPEZ GARCIA	Item	
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	Item	
MR JUAN CARLOS URETA DOMINGO	Item	
MR SANTIAGO GONZALEZ ENCISO	Item	

Observations

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c) Summary of remuneration (thousands of euros):

The summary should include the amounts relating to all remuneration items included in this Report that have accrued to the director, in thousands of euros.

Name	Accrued remuneration at the Company					Accrued remuneration at Group companies				
	Total remuneration in cash	Gross profit from shares or vested financial instruments	Remuneration in savings systems	Other items of remuneration	Total 2018 Company	Total remuneration in cash	Gross profit from shares or vested financial instruments	Remuneration in savings systems	Other items of remuneration	Total 2018 2018 Group
MR EDUARDO CHACON LOPEZ	60				60					
MR PEDRO FERRERAS DIEZ	60				60					
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	71				71					
MR FRANCISCO DE ASIS GARCÍA MOLINA	60				60					
MS SARAH MARIE HARMON	60				60					

**ANNUAL REPORT ON REMUNERATION OF
DIRECTORS OF LISTED PUBLIC LIABILITY COMPANIES**

Name	Accrued remuneration at the Company					Accrued remuneration at Group companies				
	Total remuneration in cash	Gross profit from shares or vested financial instruments	Remuneration in savings systems	Other items of remuneration	Total 2018 Company	Total remuneration in cash	Gross profit from shares or vested financial instruments	Remuneration in savings systems	Other items of remuneration	Total 2018 2018 Group
MS INES JUSTE BELLOSILLO	60				60					
MUTUALIDAD DE LA ABOGACIA	71				71					
MR PEDRO ANGEL NAVARRO MARTINEZ	60				60					
MR JOSE RAMON RUBIO LAPORTA	60				60					
MR EDUARDO TRUEBA CORTES	60				60					
MR JUAN LUIS LOPEZ GARCIA	328	53	1		382					
MR JESUS SANCHEZ-QUIÑONES GONZALEZ	329	53	1		383					
MR JUAN CARLOS URETA DOMINGO	361	61	1		423					
MR SANTIAGO GONZALEZ ENCISO	87	12	1		100					
TOTAL	1,727	179	4		1,910					

Observations

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Mr OTHER INFORMATION OF INTEREST

Briefly detail any salient feature relating to the directors' remuneration that has not been dealt with in the other sections of this Report, but which should be included to provide the most complete and reasoned information on the Company's remuneration structure and practices in relation to its directors.

The directors of the Company have not accrued any remuneration other than that indicated in section A of this report, without prejudice to the amounts indicated in section D.3 of the Annual Corporate Governance Report referring to related-party transactions between entities of the directors and the Company itself.

The figures included in sections C.1.a.i., C.1.a.ii and C.1.a.iii and C.1.c relate to the amounts paid and satisfied in 2018 for all directors, who accrued no variable remuneration in 2018 other than that specified in section C above.

In 2018 part of the variable remuneration paid to the executive directors, Mr Juan Carlos Ureta Domingo, Mr Juan Luis López García and Mr Jesús Sánchez-Quiñones González, corresponds to the variable remuneration accrued in 2014, 40% of which was deferred by thirds in the following three years (2016, 2017 and 2018). Specifically, the total VR corresponding to 2014, deferred and paid in 2018, amounted to 19 thousand euro in shares, with Mr Juan Carlos Ureta Domingo receiving 7 thousand euro, Mr Juan Luis López García and Mr Jesús Sánchez-Quiñones González receiving 6 thousand euros each.

As explained in section B.7 on variable remuneration paid to executive directors during 2018, the other part relates to the variable remuneration accrued in 2017, in which it was agreed that 60% of the remuneration would be paid during the first quarter of 2018 and the remaining 40% would be deferred in the following three years; 2019, 2020 and 2021, with one third to be paid each of those years. The total remuneration would be paid 50% in cash and the other 50% in Shares.

Consequently, in 2018 the Total Variable Remuneration amounted to 533 thousand euros, and 60% of the Total VR for 2017 was paid to the executive directors, amounting to 320 thousand euros, of which 160 thousand euros were paid in cash and 160 thousand in shares, including the deposit in the account for remuneration in kind of shares. Specifically, Mr Juan Carlos Ureta Domingo was due to receive 54 thousand euros in shares and Mr Juan Luis López García and Mr Jesús Sánchez-Quiñones González were due to receive 47 thousand euros in shares each. All the above is included in section C.1.a.ii, which includes the amounts accrued at the beginning of fiscal year 2018, the shares paid in 2018, as well as the deferred amounts in shares for each of the executive directors.

This annual corporate governance report was approved by the board of directors at a meeting on:

11/03/2019

List whether any directors voted against or abstained from voting on the approval of this Report.

☐ Yes

☒ No