
ISSUER IDENTIFICATION DATA

End date of the referenced business year: 12/31/2018

TIC: A-28013811

Corporate Name:

SACYR, S.A.

Corporate address:

PASEO DE LA CASTELLANA, 83-85 MADRID

JOSÉ LUIS GÓMEZ RODRÍGUEZ
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1144

A. COMPANY REMUNERATIONS POLICY FOR THE ONGOING BUSINESS YEAR

A.1. Explain the directors remuneration policy in effect applicable to the ongoing business year. As long as it is relevant, specific information can be included for reference to the retributions policy approved by the shareholders general meeting, as long as the incorporation is clear, specific and concrete.

The specific provisions for the ongoing business year must be described, for the directors remunerations, as such, as well as the development of the executive duties, which the board has performed according to the provisions of the contracts signed with the executive directors and the remunerations policy approved by the general meeting.

In any case, at least, the following aspects must be informed about:

- Description of the procedures and bodies of the company participating in the establishment and approval of the remunerations policy and its conditions.
- State and when applicable, explain if comparable companies have been taken into consideration to establish the company remuneration policy.
- Information about the participation of any external counselor and, when applicable, his/her identity.
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Applicable regulation:

The company has followed what is established under the applicable regulation. This means:

Corporate Law.

Article 529 quidecies, section 3.g, establishes:

3. Without prejudice of the other powers attributed by the law, the company by-laws or, according to them, the regulation of the board of directors, the appointments and retributions committee, at a minimum, will have the following:
(...)

g) Propose to the board of directors the retribution policies for directors and general managers or those developing the positions of top management under the direct dependence of the board of directors, of executive committees or chief executive officers, as well as the individual retribution and other contractual conditions of the executive directors, ensuring their compliance.

Article 529 sexdecies states:

Except by-law provision to the contrary, the position of listed company director will be necessarily retributed. Article 529 septdecies states:

1. The directors remunerations policy will establish the remuneration of directors as such, within the remuneration system scheduled and must necessarily include the maximum amount of the annual remuneration to be satisfied to the group of directors as such.
2. The establishment of each director as such will correspond to the board of directors, which will take into consideration for this purpose the duties and responsibilities attributed to each director, the participation to board committees and other relevant objective and relevant circumstances.

Article 529 octodecies stipulates:

1. The remuneration of the directors for the development of executive duties scheduled under the contracts approved according to the provisions of article 249 will comply with the directors remuneration policy, which will necessarily need to take into consideration the annual fixed retribution amount and its variation in the period referred to by the policy, the different parameters for the establishment of the variable components and the main terms and conditions of their contracts including, particularly, their life, compensations in case of early termination or termination of the contractual relation and exclusivity, non compete, post contractual and permanence or loyalty agreements.



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2. It is the responsibility of the board of directors to establish the retribution of the directors according to the development of the executive duties and terms and conditions of their contracts with the company according to article 249.3 and with the directors remuneration policy approved by the general meeting.

Article 529 novodecies states:

1. The remunerations policy of the directors will be adjusted as necessary to the remuneration system established in the by-laws and which will be approved by the Shareholders general meeting at least every three years on a separate section of the agenda.
2. The proposal of the remuneration policy of the board of directors will be motivated and must be accompanied by a specific report from the appointments and retributions committee. Both documents will be made available to the shareholders on the company website since the notice of meeting of the shareholders meeting, who can also request their free shipping and delivery. The notice of meeting of the general meeting will mention this right.
3. The directors remunerations policy thus approved will maintain its effect during the three following business years to that in which it was approved by the general meeting. Any modification or replacement during said period will require the prior approval of the shareholders general meeting according to the procedure established for its approval.
4. When the annual report regarding directors remunerations was rejected in the consulting vote of the ordinary shareholders meeting, the applicable remunerations policy for the next business year must be subject to the approval of the general meeting before its application, even when the above mentioned period of three years has not elapsed. Cases in which the remunerations policy has been approved in that same ordinary general meeting are excluded.
5. Any remuneration received by the directors for the exercise or termination of their position and the performance of their executive duties will be made according to the remunerations policy in effect at each time, except the remunerations that have been specifically approved by the shareholders general meeting.

(Continues under section D.1.)

- Relative importance of the variable retribution concepts regarding the fixed ones (mix retribution) and which criterion and objectives have been taken into consideration in its establishment and to guarantee an adequate balance in the remuneration fixed and variable components. In particular, point out the actions adopted by the company regarding the remuneration system to reduce the excessive risks and adjust them to the goals, values and interests of the company long term, which will include, when applicable, a reference to the measures scheduled to guarantee that the remuneration policy addressed the company long term results, the measures adopted in relation to those personnel categories which professional activities have a material repercussion in the risk profile of the entity and measures scheduled to prevent conflicts of interest, when applicable.

Likewise, state if the company has established any accrual or consolidation period for variable retribution specific concepts, in cash, shares or other financial instruments, a deferral period for the payment of amounts or delivery of financial instruments already accrued and consolidated, or if any clause has been agreed upon for the reduction of the deferred remuneration or that forces the director to return the received amounts, when said remunerations have been based on data which inaccuracy has later been thoroughly demonstrated.

The company retribution policy seeks to remunerate all directors adequately regarding their duties m qualification and real responsibility, attempting not to be an obstacle for their independence. In this regard, the Board of Directors takes into account the duties and responsibilities of each of them within the Board when establishing the remuneration of each director, so that those participating in Committees can have a greater retribution.

Fixed Directors retribution "as such":

The directors remuneration "as such", consists in a fixed annual amount, without having a variable retribution system. In this regard, the company according to the moderation and caution management criteria inherent to remunerations, attempts for the retribution to be moderate in comparison to market standards and, in this regard, to facilitate the goal, the remuneration of these directors is not linked to the company results, thus avoiding conditioning the decision making, all in accordance with the Good Corporate Governance Recommendations.

Fixed and variable retribution of the executive director:

The director who develops executive responsibilities has the right to receive, in addition to a fix retribution which corresponds to his/her condition of director, the retributive concepts appearing under the contract signed with the company, pursuant to article 249.3. and 4 of the LSC.

The executive director retribution system is regulated pursuant to article 249, sections 3 and 4 of the LSC, according to which: "3. When a member of the board of directors is appointed managing director or duties by reason of another position a attributed, it will be necessary to

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hold a contract between said director and the company which must be previously approved by the board of directors with the favorable vote of two thirds of its members. The affected director must abstain from attending the deliberation and participating in the vote. The approved contract must be included as an annex to the meetings minute. 4. The contract will detail all concepts from which a retribution may be obtained for the development of executive duties, including, when applicable, the eventual compensation for early termination in said responsibilities and the amounts to be paid by the company as insurance premiums or contribution to savings systems. The director cannot receive any retribution for the development of executive duties which amounts and concepts are not stipulated in said contract. The contract must be according to the approved retributions policy, when applicable, by the general meeting".

The executive director variable retribution has greater relevance than the fixed remuneration, since it includes a medium and long term variable remuneration. The executive director variable retribution is linked to the achievement of medium and long term goals and, thus, reduces the exposure to risk and adjust the remunerations policy to said goals, the values and the long term interests of the company. Under no circumstance, said retribution threatens the capacity of the company to keep its solvency and financial situation.

The executive director retribution policy is, therefore, guided towards the generation of value for the Company, searching for the alignment with shareholders interests, with a cautious risk management and a strict compliance of the applicable regulation in matters of directors remuneration.

Retribution programs are periodically reviewed by the Appointments and Retributions Committee and the Board of Directors, with the purpose of maintaining the Company retribution policy aligned with the best market practices and trends, as it is stated under article 17.7.h) of the Sacyr Board of Directors regulation.

Therefore, the company takes into consideration, for the establishment of the remuneration of all Board of Directors members, actions and measures which may prevent short term behaviors which may damage the company situation.

The company makes public on its website the remunerations policy that the Board of Directors proposes to the General Meeting, as well as the specific report from the Appointments and Retributions Committee, which are available to the shareholders since the notice of meeting of the General Meeting in question. The right to advanced information and the vote of shareholders in the remuneration policies of directors are a control guarantee for this matter.

According to the Company remunerations policy, the Board of Directors is who performs the establishment, follow up and compliance of the objectives programs over which the annual variable retribution of the executive director is configured. they have the right to receive an annual variable remuneration in cash for the rendering of their services, which amount is yearly established also by the Board of Directors, by proposal of the Appointments and Retributions Committee, in relation with the degree of compliance of these goals and under specific minimum and maximum limitations. Its payment will take place on the agreed upon date pursuant to the company policies. Likewise, advanced payments against the yearly variable retribution can be made, prior agreement of the Appointments and Retributions Committee.

However, if one the final liquidation time arrives it is verified that the executive director has received an amount exceeding the amount he/she would be entitled to, said director will be forced to return the excess of the annual variable retribution. In this regard clause 3.2. (v) (yearly variable retribution) of the contract formalized between the executive manager and the company establishes that: "...However, if having reached the time for the final settlement [of the Variable Retribution] by the Board of Directors it will be recorded that Mr. ... has received, as advanced payment, an amount exceeding the one corresponding for the Variable Retribution, said director will have the responsibility to return the excess, within the five (5) days after the Company requires it".

The long term variable retribution consists on a multiannual Bonus Plan of three years applicable to the executive director conditioned by the fulfillment of objectives established under the "2015-2020 Strategic Plan" and the individual performance of the beneficiary him/herself. The amount is fully paid prior approval of the Board of Directors, whenever a proposal of the Appointments and Retributions Committee establishes the fulfillment of said objectives. Lastly, the Board of Directors can advance part of the payment, in case a relevant section of the parameters for the "2015-2020 Strategic Plan" is fulfilled before the end of the period.

- Amount and nature of the fixed components that are foreseen to be accrued by the directors, as such, during the business year.

The remuneration of the directors "as such" consists in a fixed retribution, taking into consideration the following: (i) the positions occupied within said body; (ii) the concurring characteristics of said positions; or (iii) their participation or lack thereof, and the degree of responsibility in the different committees.

The directors retributions "as such" for the 2019 business year, established by the Board of Directors, are the following:

- Board of Directors: Chairperson (111,600 €), Vice-chairperson (100,900 €) and member (90,000 €).
- Executive Committee: Chairperson (58,500 €) and member (45,000 €).
- Audit and Corporate Governance Committee: Chairperson (28,600 €) and member (22,000€).



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- Appointments and Retributions Committee: Chairperson (26,000 €) and member (20,000€).
- The amount and nature of the fixed components that will be accrued for the exercise of the responsibilities of executive managers top management duties.

The remuneration of the director who comply executive duties are composed by a fixed part, adequate for the assumed services and responsibilities.

The fixed annual remuneration which will be accrued during the 2019 business year, for the sole executive director of the company, will be of 1,611,000 gross annual Euros, payable in twelve equal pays.

- The amount and nature of any remuneration component in kind which will be accrued in the business year including, but not limited to, the insurance premiums paid in favor of the director.

The executive director of the company will be the beneficiary of: (i) A yearly contribution to a coverage insurance for contingencies of survival, death and permanent disability and (ii) A medical reimbursement insurance of 90% which includes as beneficiary the CEO as well as his/her spouse and dependent offspring.

In the year 2018 it was not necessary to pay any premium to cover the risk of the year 2019. The amount of the medical insurance premium for the ongoing business year is of 2472 Euros.

- Amount and nature of the variable components, differentiating between to established at a long and short term. Financial and non financial parameters, including among the latter the social, Environmental and climate change ones, selected to establish the variable remuneration in the ongoing business year, explanation of up to what point said parameters hold relation with the performance, of the director, as well as the entity and his/her risk profile and the methodology, necessary period and scheduled techniques in order to be able to established, at the end of the business year, the degree of compliance of the parameters used in the design of the variable remuneration.

State the range in monetary terms of the different variable components in relation to the degree of compliance of the established goals and parameters and if there is any maximum monetary amount in absolute terms.

The variable retribution is reserved for the executive director in the following terms regulated in the contract signed with the company: Short term variable retribution:

Sacyr has implemented a goal management program through which it establishes and follows the compliance of specific goals. The program is yearly and is established with the purpose of rewarding performance, among others and the fulfillment of economic-financial and strategic objectives of the Company.

AS it is reflected in the contract of the CEO, the goals are established yearly by the Board of Directors in the first quarter of the business year and, in addition, will be complemented by the business evolution and the value of the company in relation to the previous business year (quantitative criterion) and the correct development of his/her executive responsibilities (qualitative criterion).

The amount of references to determine the variable retribution is equal to 100% of the reference money fixed part. The specific amount of the variable retribution is established, yearly, in relation to the degree of compliance with the objectives established by the Board of Directors for the position, or alternatively by the contract, within the limits of a maximum of 130% and a minimum of 70% of the reference variable.

Likewise, the Remunerations Policy establishes that, the Board of Directors, prior report of the Appointments and Retributions Committee, will be able to modify the amount of the annual maximum variable retribution, which cannot exceed in any case 170 per cent of the Reference Fixed Retribution. In order to perform said review, the Board of Directors can attend all or some of the following circumstances: (i) the responsibilities of the Executive Director, (ii) the retribution practices of other listed business groups, (iii) the Company evolution or (iv) the wage brackets scheduled in the Sacyr retribution policy for its management team.

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For the ongoing business year, the Board of Directors has agreed that the short term remuneration of the executive director is established taking into account the following objectives, which assessment must be performed taking into consideration the minimum and maximum amounts established in the contract signed with the company:

- Quantitative objectives (70%), that will be determined by application of the following parameters: (i) 25 per 100 in relation to the degree of objective compliance of the EBITDA for the business year that appears in the annual budget; (ii) 25 per 100 of the retribution in relation to the company net profit (BDI) contained in the business year budget and (v) 20 per 100 related to the increase of the capitalization of the company in the business year, comparing the average of the month of December, with the average of that same month from the previous year.

- Qualitative objectives (30%), based on criteria related with individual performance which assessment is qualitative. Long term

variable retribution:

The Board of Directors, in its meeting of November 26, agreed launching the "2015-2018 Multiannual Bonus Plan" "the Plan", with a variable retribution system, which cannot be consolidated, addressed to the Eligible Managing Team, as well as the company directors who perform executive duties. The Plan consists in the concession to the selected beneficiaries, among which the executive director is included, of a variable retribution payable system through the payment of a specific cash amount subject to the compliance of the established EBITDA and BDI objectives in the 2015-2020 Strategic Plan and the individual performance of the beneficiary. The total life of the Plan is of 3 years. Once the end date of the Plan has been reached, the Board of Directors established, by proposal of the Appointments and Retributions Committee, the amount of the incentive which will be assigned to each beneficiary, within the theoretical maximum amount of the incentive which appears in their specific conditions.

The maximum theoretical incentive assigned to the executive director amounts to 75% of his/her fixed annual retribution for the period of three years of the Plans life. A degree of compliance of the objectives of 100 per cent or more will grant the right for the maximum stipulated amount. In any case, it will be necessary so that the Plan generates said rights in favor of the CEO for a minimum compliance of 75 per cent to be reach by all objectives related to the 2015-2020 Strategic Plan.

The incentive is fully paid in cash on the date in which the Board of Directors, by proposal of the Appointments and Retributions Committee, establishes said amount after analyzing the compliance of the objectives.

On the other hand, it is necessary to point out that the Board of Directors dated January 31, 2019, by proposal of the Appointments and Retributions Committee dated January 25, 2019, approved the new "ILP 2018-2020 Plan" for the executive director, gathering the following conditions:

- Theoretical amount (for 3 years): 130% yearly gross salary.
- Indicators: Of the Company: % of accomplishment of EBITDA, BDI and RTA (Total Return for the Shareholder). Individual: average individual performance in the triennial.
Consideration: 2018: 20%; 2019: 40% and 2020: 40%.
- Milestones: Minimum: 70% of the indicators; maximum: 130% of the theoretical amount.
- Final amount: Final amount = Theoretical Incentive x [56% * %EBITDA compliance+ 19% * %BDI compliance + 25% * RTA] * Average of the triennial individual performance.

The new "ILP 2018-2020 Plan" has the following goals: i) Incentivize key Company personnel and personnel with high potential (ii) Maximize the value of Sacyr and its subsidiary companies allowing the Management Team to benefit from their management results, linking it to the Strategic Plan. (iii) Reward the stay of the eligible management team and (iv) Offer the eligible management team a retributive element on line with the best market practices and that supports the implementation of a new retribution policy with internal equity and external competitiveness.

Lastly, in relation to other variable retributions: The Board of Directors will be able to establish an extraordinary retribution in consideration of singular achievements which have decisively contributed to the company results.

- Main characteristics of the long term savings systems. Among other information, the contingencies covered by the system will be provided, if it is of contribution or defined contribution, the annual contribution that is to be made to the defined contribution systems, the rendering to which the beneficiaries are entitled to in case of a defined contribution system, the consolidation conditions of the economic rights in favor of the directors and their compatibility with any type of payment or compensation for resolution or early termination of the contractual relationship, under the terms established between the company and the director.

IT will be necessary to point out if the accrual or consolidation of any of the long term savings plans is linked to the accomplishment of goals or parameter related to the directors short and long term periods performance.

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The long term savings system is applicable only to the executive director, through a complementary Social Welfare Plan with a defined contribution, with exclusive contributions by the company, which is articulated through: a) A collective savings insurance for retirement benefits and, b) A collective life insurance program to guarantee the coverages of death and permanent disability in any of its degrees (permanent total disability, permanent absolute disability and severe disability).

The collective savings insurance for retirement benefits consists in an insurance which guarantees the payment to the beneficiary of a capital in case of survival of the policy holder in the established maturity date (until the age in which the legal situation of retirement is voluntarily accessed).

The total benefits to which the executive director will be entitled to is not a fixed amount since the company performs, yearly, contributions to said insurance; due to which the total benefits to which he/she will be entitled to will be equal to the amount of the funds accumulated in the insurance contract at the time in which the accrual takes place ("accumulated mathematical provision"), being able to opt for its immediate or progressive collection (in the way of capital or income, at his/her choice).

The annual contribution under the concept of insurance premium for the coverage of the survival contingency (until the CEO resigns in the Company) will be of a minimum between 25% and a maximum of 30% of his/her total retribution accrued in the previous business year, linked to the evolution of the business and the action of the previous business year, established by the Board of Directors, prior report of the Appointments and Retributions Committee.

The defined benefit objective for the coverage of the contingencies of death and permanent disability will be of 125% of the fixed monetary retribution. For the coverage, the Company yearly pays the amount of the premium corresponding to the securing.

For the 2019 business year, the contribution to the savings insurance for retirement will be 30% of the total retribution accrued in 2018.

- Any type of payment or compensation due to the resolution or early termination of the contractual relation under the terms scheduled between the company and the director, either by resignation by decision of the company or the director, as well as any type of agreements made, such as exclusivity, non compete after the contract and stay or loyalty, which entitled the director to any type of collection.

According to what is established under the signed contract with the CEO, in case of resignation or dismissal due to causes chargeable to the CEO, he/she will be entitled to, in addition to the compensation which may correspond according to the signed contract, the accumulated mathematical provisions under the Social welfare Plan until the time of the resignation or dismissal.

- State the conditions which contracts of those who exercise top management responsibilities such as executive directors. Among others, the life, compensation amounts limits, minimum commitment clause, preliminary warning terms as well as the payment as replacement of the above mentioned preliminary period will be informed about, including ironclads due to early termination or termination of the contractual relationship between the company and the executive director. Include, among others, the covenants or agreements of non compete, exclusivity, commitment or loyalty and post-contractual non compete, except when they have been addressed in the previous section.

In the company there is only one member of top management who, at the same time, is executive director.

According to article 249 of the LSC, the obligation of signing a contract between the company and the director who performs executive duties is established. The contract will detail all concepts from which a retribution may be obtained for the development of executive duties by the director, including, when applicable, the eventual compensation for early termination in said responsibilities and the amounts to be paid by the company as insurance premiums or contribution to savings systems. The director cannot receive any retribution for the development of executive duties which amounts and concepts are not stipulated under the contract.

The contract between the executive director and the company: (i) Must comply with the approved retributions policy, when applicable, by the general meeting, (ii) It must be previously approved by the board of directors with the favorable vote of two thirds of its members, (iii) When the board of directors meetings which is to approve the contract takes place, the executive director must abstain from attending the

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deliberation and will not be able to vote in the approval and (iv) The approved contract must be incorporated as an annex to the board of directors meeting minute which approved it.

The following are the conditions that the contract must include: (i) The contract life is open ended and (ii) The executive director commits to have full dedication to Sacyr and group companies. As a consequence and except specific authorization by the Board of Directors of the company, he/she will not be able to render services on his/her on or through third parties, nor develop any other profession or occupation, neither paid or pro bono, which may (a) neglect the development of his/her duties or (b) subtract time or dedication from the commitment required for a position as the one he/she performs.

Regarding the compensation by resignation, section 4.4 of the Remunerations Policy establishes that "The contract between the Executive Director and the Company, establishes a compensation in case of (i) termination not due to default chargeable to the Executive Director or (ii) resignation due to causes outside the control of the Executive Director, which sums up to a gross amount equal to 2.5 times the sum of the fixed retribution and variable retribution received during the business year immediately prior to the one in which the event that gave rise to said compensation took place."

On the other hand, the agreements of post-contractual non compete, are described under section 4.5 of the Remunerations Policy, which establishes that "During the period of the two following years after the contract termination date, except when said termination is due to voluntary access to retirement, death or disability or resignation or dismissal concurring a cause chargeable to the Executive Director, he/she can receive an amount equivalent to 1.5 times the fixed remuneration, received the twelve prior months to the date of contract termination, as a post-contractual non compete agreement, which will be paid during the non compete period."

Lastly, according to our Remunerations Policy, the previously described retribution system described for the Executive Manager will be applicable to any director which may be integrated in the Board of Directors to develop executive duties during the effect of the Remunerations Policy, with the necessary adaptations which are established by the Appointments and Retributions Committee and the Board of Directors in relation to the concurring circumstances.

- The estimated nature and amount of any supplementary remuneration which will be accrued by the directors in the ongoing business year in consideration for the rendered services different than those inherent to their position.

Not applicable

- Other retribution concepts such as the derivative ones, when applicable, of the granting by the company to the director of advancements, credits and warranties and other remunerations.

Not applicable

- The estimated nature and amount of any other scheduled supplementary remuneration not included in the previous sections, be it satisfied by the entity or another entity of the group, which will be accrued by the directors during the ongoing business year.

With the purpose of complying with article 43.5 of the Company By-laws, the company has subscribed a civil liability insurance policy giving coverage to the company managers and directors, including the Executive Director.

A.2. Explain any relevant change in the remunerations policy applicable over the ongoing business year derived from:

- A new policy or a modification of the policy already approved by the Meeting.
- Relevant changes in specific determinations established by the board for the ongoing business year for the remunerations policy in effect regarding those applied during the previous business year.
- Proposals that the board of directors had agreed to submit to the shareholders general meeting to which this report will be sent and which proposes they are applied during the ongoing business year.

The following changes have been scheduled for the 2019 business year:

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- New directors remuneration policy 2020-2022 which will be subject to the approval of the Shareholders General Meeting by proposal of the Board of Directors, prior specific report of the Appointments and Retributions Committee.
- For the company directors, "as such", an increase as a fixed annual amount has been agreed upon for belonging to the Board of Directors. The retribution for participating in delegated Committees is established in relation to the previous business year.
- For the director who performs executive duties, a salary increase of 2.8 % has been approved over the fixed yearly gross retribution and the quantitative and qualitative objectives are maintained for the establishment of the short term variable.
- Regarding the long term incentives, the new ILP 2018-2020 plan has been approved, according to the previously established criteria.

A.3. Identify the direct link to the document in which the company in effect remunerations policy can be found, which must be available at the company website.

www.sacyr.com/es_es/canales/canal-accionistas-e-inversores/gobierno-corporativo/politicas-corporativas/default.aspx

A.4. Explain, taking into consideration the data provided under section B.4, how the shareholders vote was taken into account in the general meeting in which it was subject to a vote the remunerations annual report from the previous business year.

The Sacyr Board of Directors annually prepares and publishes a report regarding the directors remunerations with the content demanded by the applicable law at each time, according to article 27.2 of the Boards Regulation.

For this purpose, the remunerations annual report of the previous business year is subject to a consulting vote in the Shareholders General Meeting, and if said report was rejected, the applicable remunerations policy for the following business year will need to be subject to approval by the General Meeting before it can be applied, although the above mentioned period of three years has no elapsed, with the exception of the cases in which the remunerations policy had been approved by that same ordinary general meeting, all of the above under article 529 novodecies section 4 of the LSC.

The Sacyr, S.A. Shareholders General Meeting dated June 7, 2018, in item five of the agenda agreed: "Approve, in a consulting manner, the Annual Report regarding Remunerations of the directors corresponding to the 2017 business year". This agreement was voted in the General Meeting separately according to article 23.2.c) of the Meetings Regulation and 197 bis of the LSC, with the favorable result of 43.52 % over the casted votes, as is reflected under section B.4. Of this report.

B. GENERAL SUMMARY OF HOW THE RETRIBUTIONS POLICY WAS APPLIED DURING THE CLOSED BUSINESS YEAR

B.1. Explain the process which was followed to apply the remunerations policy and establish the individual retributions that are reflected under section C of this report. This information will include the role developed by the retributions committee, the decisions made by the board of directors and when applicable, the identity and role of the external advisors whose services have been used in the application process of the retribution policy in the closed business year.

The procedure that has been followed to apply the remunerations policy for the establishment of the individual retributions that are detailed under section C of this report, as well as the role developed by the Appointments and Retributions Committee and, decisions made by the Board of Directors, are the ones described in the first section of question A.1 "for the ongoing business year" of this report, all according to article 43 of the By-laws and the LSC. Regarding external advisors, the application of the retribution policy in the closed business year did not require the participation of any.

It is not applicable for those remunerations which have not been accrued during the 2018 business year, this means, the remunerations of section C.1.a) ii) "Remunerations system based on shares or consolidated financial instruments", as well as section C.1.b) "Retributions to directors of the company for their participation in boards of other group entities".

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B.2. Explain the actions adopted by the company in relation to the compensation system to reduce exposure to excessive risks and adjust it to the objectives, value and long term interests of the company, which will include, as the case may be, a reference to the measures scheduled to guarantee that the in the accrued remuneration attention has been paid to the long term company results and reaching an adequate balance between the fixed and variable components of the compensation, adopted measures regarding those or personal category which professional activities have a material repercussion in the profile of the entity risks, and what measures have been adopted to prevent conflicts of interest, when applicable.

What is described under the same section of question A.1 is also applicable "for the ongoing business year" of this report.

B.3. Explain how the remuneration accrued in the business year complies with the dispositions of the retribution policy in effect.

Also report regarding the relation of the retribution obtained by the directors and the results or other performance measures, short and long term, of the entity, explaining, when applicable, how the variations in the performance of the company have influenced the variation of the directors remunerations, including the ones accrued which payment has been deferred, and how those contributed to the company short and long term results.

The directors accrued retribution did not only comply what is established in the remunerations policy, but also what is established under the internal company regulation, the LSC and the recommendations of Good Corporate Governance, in matters of remuneration.

The following measures have been taken into consideration for their compliance: (i) The directors remuneration system "as such" did not include variable components, remaining restricted to the director with executive duties. (ii) The executive director variable remuneration has been established in relation to his/her performance, as well as the market or the sector evolution of where the company develops its activity. (iii) The remuneration system has been proportional to the importance of the company and in this regard, objective criteria has been taken into consideration, such as the size, activity sector, international implementation, business volume and the economic situation at the time.

Lastly, that the payment of a relevant variable remuneration of the executive director has been deferred for a minimum period of time sufficient to verify that the previously established performance conditions have been complied with, according to recommendation 59 of the Good Governance Code.

B.4. Report about the result of the general meeting consulting vote for the annual report regarding the remunerations of the previous business year, indicating the number of negative votes which were casted, if applicable.

	Number	% over the total
Casted votes	315,206,426	100.00
	Number	% over casted
Negative votes	78,421,138	24.88
Favorable votes	236,668,728	75.08
Abstentions	116,560	0.04

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B.5. Explain how the accrued fixed components have been established during the business year by the directors as such and what are the variations in comparison with the previous year.

During the 2018 business year, the directors "as such" received a fixed annual retribution. AS it has been stated before, for the calculation of the specific amount to be received by each director, the Board of Directors took the following into consideration: (i) the positions they occupy within said body, (ii) the concurring characteristics therein; or (iii) their participation or lack thereof, and degree of responsibility in the different committees.

For the 2018 business year the Board of Directors agreed to maintain the directors retributions as such, in relation to the previous business year, so these are the ones that are detailed below and are divided by each director under section C of this report.

- Board of Directors: Chairperson (93,600 €), Vice-chairperson (82,800 €) and member (72,000 €).
- Executive Committee: Chairperson (58,500 €) and member (45,000 €).
- Audit and Corporate Governance Committee: Chairperson (28,600 €) and member (22,000€).
- Appointments and Retributions Committee: Chairperson (26,000 €) and member (20,000€).

The yearly total accrued retribution by all Board members during the business year was of gross 1,465,500 Euros.

B.6. Explain how the accrued salaries have been established, during the closed business year, for each of the executive directors by the development of their management duties, and how it has varied in relation to the previous year.

For the establishment of the company sole executive director retribution system, during the 2018 business year, the Board of Directors has taken into account the following criteria, regarding the retribution items which comprise it: (i) Fixed retribution, taking into consideration the assumed services and responsibilities. (ii) Variable annual retribution, regarding the degree of compliance of the objectives established for his/her position and (iii) Assistance section, taking into consideration the business evolution and the action in the previous business year.

Likewise, during the 2018 no remuneration due to exclusivity, post-contractual non compete and commitment or loyalty actions has been accrued, as well as no compensation for cases of resignation or dismissal.

In relation to the previous business year, the fixed retribution of the executive director was increased by 2.44%, receiving the amount of gross 1,567,332 Euros per year, payable in twelve equal pays.

Regarding the variable retribution of the year 2018, it is during the month of May 2019 when the liquidation of the variable retribution of the executive director is performed. The reference variable retribution percentage approved by the Board of Directors is of 130%, therefore the amount to be received is of 2,037,532 Euros, assessed by the Appointments and Retributions Committee taking into consideration the evolution of the company by the compliance of the EBITDA and BDI objectives contained in the Strategic Plan, as well as the adequate individual performance, taking into account, among others, the drive in the transformation of the company and the leadership in the development of the Strategic Plan.

Lastly, regarding the assistance section, the contribution to the saving insurance of the retirement during the 2018 business year was of 1,055,430 Euros.

In the case of the life insurance, no risk premium has been paid for death or disability, since this risk is already covered with the mathematical provision of the retirement savings policy and the "unit link" fund which covers the retirement commitments.

B.7. Explain the nature and the main characteristics of the variable components of the retribution systems accrued in the closed business year.

In particular:

- Identify each of the retribution plans which have established the different variable accrued retribution manners for each of the directors during the closed business year, including information about the scope, implementation date, accrual and effect periods, criteria which has been used for the assessment of performance and how it has impacted the establishment of the variable accrued amount, as well as the measurement criteria which has been used and the necessary term to be under the adequate conditions and stipulated criteria.

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In the case of options plans over shares or other financial instruments, the general characteristics of each plan will include information about the conditions to acquire their unconditional ownership (consolidation), as well as being able to exercise said options or financial instruments, including the price and period of the business year.

- Each of the directors and their category (executive directors, external directors representing controlling interests, external independent directors and other external directors), which are beneficiaries of the retribution systems or plans which include a variable retribution.
- When applicable, information will be provided regarding the accrual periods or the established postponement of payments which have been applied and/or the retention/unavailability periods of the shares or other financial instruments, if any.

Explain the short term variable components of the retribution systems:

As it has been detailed before, the company directors "as such" do not receive variable remuneration; said remuneration is reserved to the sole executive director, according to the terms and conditions of his/her contract with the company.

In relation to the short term variable retribution, the reference amount for its establishment is equal to 100% of the fixed pecuniary retribution and is established yearly in relation to the degree of compliance of the objectives established by the company Board of Directors.

Lastly, any other information related to the short term variable retribution system under this section is included under section 4.2 of the remuneration policy approved by the Shareholders General Meeting of 2016, according to article 529 novodecies of the LSC and that, at the same time, is detailed in the section corresponding to the "Amount and nature of the variable components..." of question A.1. "for the ongoing business year" of this report.

Explain the long term variable components of the retribution systems:

No long term variable retribution has been accrued nor there has been a remuneration based in the delivery of company shares, nor options over them or another financial instrument.

Any other information related to the long term retribution system requested in this section is included under section 4.2 of the remunerations policy approved by the Shareholders General Meeting of 2016, according to article 529 novodecies of the LSC and that, at the same time, is detailed in the section corresponding to the "Amount and nature of the variable components..." of question A.1. "for the ongoing business year" of this report.

- B.8.** State if the devolution of specific variable components have been reduced or reclaimed when they have, in the first case, consolidated and deferred the payment or, in the second case, consolidated and paid, taking into consideration data which inaccuracy has been clearly demonstrated. Describe the reduced or returned amounts for the application of reduction or return clauses (clawback), why they were executed and the business years to which they correspond.

Not applicable.

- B.9.** Explain the main characteristics of the long term savings systems which amount or equivalent annual cost appears on the charts under Section C, including retirement and any other survival, which are partially or fully financed by the company, either internally or externally endowed, indicating the type of plan, if it is of contribution or defined contribution, the contingencies it covers, the consolidation conditions of the economic rights in favor of the directors and their compatibility with

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any type of compensation due to early termination or termination of the contractual relation between the company and the director.

Section C contemplates, for the executive director a complementary Social Welfare Plan of defined contribution, with exclusive contribution by the company, which is articulated through: a) A collective savings insurance for all retirement benefits and, b) A collective life insurance program to guarantee the coverages of death and permanent in any of its degrees (total permanent disability, absolute permanent disability and severe disability).

The collective savings insurance for the benefit or the CEO retirement in an insurance which guarantees the payment to the beneficiary of a capital in case of survival of the policy holder on the established maturity date (up to the date in which the legal situation of retirement is voluntary taken).

The total service to which the executive director is entitled to is not a fixed amount since the company performs, yearly, contributions to said insurance; due to which the total benefit to which the director will be entitled to will be equal to the amount of the accumulated funds in the insurance contract at the time the accrual takes place ("accumulated mathematical provision").

The annual contribution for the insurance premium for the coverage of the survival contingency (up to the date in which the executive director voluntarily accesses the legal situation of retirement) varies between a minimum of 25% and a maximum of 30% of the total retribution of the executive director accrued during the previous business year.

B.10. Explain, when applicable, the compensations or any other type of payment derived from the early termination, either dismissal according to the company or the director, or the contract termination, under the terms established therein, accrued and/or received by the directors during the closed business year.

Not applicable.

B.11. State if there have been significant contract modifications in the contracts of those who exercise top management duties and, when applicable, explain them. Likewise, explain the main conditions of the new contracts signed during the business year, except if they have already been explained under section A.1.

There have been no significant modifications over the sole contract of who exercises top management duties as executive director which have represented the corresponding contract novation.

B.12. Explain any supplementary remuneration accrued to the directors as consideration for the rendered services different than those inherent to the position.

Directors do not receive any remuneration other than the one under section D.1.a) i) (Retribution accrued in cash in thousands of Euros), as consideration for those services rendered outside of those inherent to their position.

B.13. Explain any retribution derived from the concession of advancements, credits and guarantees, indicating the type of interest, its basic characteristics and the eventually returned amounts, as well as the duties assumed by them as a guarantee.

Not applicable.

B.14. Detail of the remuneration in kind accrued by the directors during the business year, briefly explaining the nature of the different salary components.

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The executive director of the company is beneficiary of: (i) A yearly contribution to a coverage insurance for the contingencies of survival, death and permanent disability. (ii) A reimbursement medical insurance of 90% which includes as beneficiaries the chairperson as well as his/her spouse and dependent offspring.

Likewise, the service defined as an objective for the coverage of the contingencies of death and permanent disability is of 125% of the fixed monetary retribution at each time. For its coverage the company yearly pays the amount of the premium corresponding to the insurance.

During the 2018 business year, no risk premium has been paid for death or disability, since this risk is covered with the mathematical provision of the retirement savings policy and for the "unit link" fund which covers the retirement commitments.

The amount of the medical insurance premium accrued in 2018 was of 2,250 Euros.

B.15. Explain the remunerations accrued by the director by reason of the payments performed by the listed company to a third entity in which the directors renders services, when said payments have the purpose of remunerating his/her services to the company.

Not applicable.

B.16. Explain any other retribution concept different than the previous ones, whichever the nature or entity of the group which satisfies it, particularly when it is considered a related operation or its issuing distorts the true image of the total accrued remunerations by the director.

Not applicable.

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C. DETAIL OF THE INDIVIDUAL COMPENSATIONS CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Accrual period 2018 business year
Mr. MANUEL MANRIQUE CECILIA	CEO	Since 01/01/2018 until 12/31/2018
Mr. DEMETRIO CARCELLER ARCE	Vice-chairperson representing controlling interests	Since 01/01/2018 until 12/31/2018
Mr. AUGUSTO DELKADER TEIG	Independent Director	Since 01/01/2018 until 12/31/2018
Mr. FRANCISCO JAVIER ADROHER BIOSCA	Director Representing Controlling Shareholders	Since 01/01/2018 until 12/31/2018
GRUPO CORPORATIVO FUERTES, S.L.	Director Representing Controlling Shareholders	Since 01/01/2018 until 12/31/2018
GRUPO SATOCAN DESARROLLOS, S.L.	Director Representing Controlling Shareholders	Since 01/01/2018 until 12/31/2018
Mr. JUAN MARÍA AGUIRRE GONZALO	Independent Director	Since 01/01/2018 until 12/31/2018
Mr. MATIAS CORTÉS DOMÍNGUEZ	Other External Director	Since 01/01/2018 until 12/31/2018
PRILOU, S.L.	Director Representing Controlling Shareholders	Since 01/01/2018 until 12/31/2018
Mrs. ISABEL MARTÍN CASTELLA	Independent Director	Since 01/01/2018 until 12/31/2018
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ	Independent Director	Since 4/26/2018 until 12/31/2018
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	Independent Director	Since 4/26/2018 until 12/31/2018
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	Independent Director	Since 4/26/2018 until 12/31/2018
Mr. RAIMUNDO BAROJA RIEU	Director Representing Controlling Shareholders	Since 01/01/2018 until 4/26/2018
CYMOFAG, S.L.	Director Representing Controlling Shareholders	Since 01/01/2018 until 4/26/2018
PRILOMI, S.L.	Director Representing Controlling Shareholders	Since 01/01/2018 until 4/26/2018
BETA ASOCIADOS, S.L.	Director Representing Controlling Shareholders	Since 01/01/2018 until 6/7/2018

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C.1. Complete the following charts regarding the individual remuneration of each of the directors (including the retribution for the exercise of executive duties) accrued during the business year.

a) Retributions of the company purpose of this report:

i) Retribution accrued in cash (in thousands of €)

Name	Fixed remuneration	Allowances	Remuneration for participation in board committees	Salary	Short term variable retribution	Long term variable retribution	Compensation	Other concepts	Total 2018 business year	Total 2017 business year
Mr. MANUEL MANRIQUE CECILIA	94		58	1,567	2,037				3,756	3,518
Mr. DEMETRIO CARCELLER ARCE	83		65						148	148
Mr. AUGUSTO DELKADER TEIG	72		82						154	165
Mr. FRANCISCO JAVIER ADROHER BIOSCA	72								72	72
GRUPO CORPORATIVO FUERTES, S.L.	72		20						92	92
GRUPO SATOCAN DESARROLLOS, S.L.	72		22						94	94
Mr. JUAN MARÍA AGUIRRE GONZALO	72		67						139	139
Mr. MATIAS CORTÉS DOMÍNGUEZ	72								72	72
PRILOU, S.L.	72		65						137	137
Mrs. ISABEL MARTÍN CASTELLA	72		39						111	121
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ	48		10						58	
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	48		11						59	
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	48		15						63	
Mr. RAIMUNDO BAROJA RIEU	24		7						31	94
CYMOFAG, S.L.	24								24	72
PRILOMI, S.L.	24								24	72
BETA ASOCIADOS, S.L.	36								36	72

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ii) Chart for the movements of the retribution systems based in actions and gross profit of the consolidated actions or financial instruments.

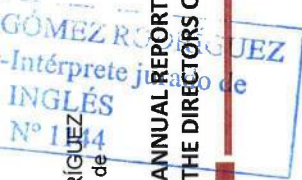
Name	Plan Name	Financial instruments at the beginning of the 2018 business year		Financial instruments granted during the 2018 business year		Consolidated financial instruments in the business year				Matured and not exercised instruments	Financial instruments at the end of the 2018 business year		
		Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent actions	Nº of instruments	Nº Equivalent / consolidated shares	Price of the consolidated shares	Gross profit of the shares or consolidated financial instruments (thousands €)		Nº of instruments	Nº Equivalent shares	
Mr. MANUEL MANRIQUE CECILIA	Plan							0.00					
Mr. DEMETRIO CARCELLER ARCE	Plan							0.00					
Mr. AUGUSTO DELKADER TEIG	Plan							0.00					
Mr. FRANCISCO JAVIER ADROHER BIOSCA	Plan							0.00					
GRUPO CORPORATIVO FUERTES, S.L.	Plan							0.00					
GRUPO SATOCAN DESARROLLOS, S.L.	Plan							0.00					
Mr. JUAN MARÍA AGUIRRE GONZALO	Plan							0.00					
Mr. MATIAS CORTÉS DOMÍNGUEZ	Plan							0.00					
PRILOU, S.L.	Plan							0.00					

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Name	Plan Name	Financial instruments at the beginning of the 2018 business year		Financial instruments granted during the 2018 business year		Consolidated financial instruments in the business year				Matured and not exercised instruments	Financial instruments at the end of the 2018 business year	
		Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent / consolidated shares	Price of the consolidated shares	Gross profit of the shares or the consolidated financial instruments (thousands €)		Nº of instruments	Nº Equivalent shares
Mrs. ISABEL MARTÍN CASTELLA	Plan							0.00				
Mrs. CRISTINA ÁLVAREZ	Plan							0.00				
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	Plan							0.00				
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	Plan							0.00				
Mr. RAIMUNDO BAROJA RIEU	Plan							0.00				
CYMOFAG, S.L.	Plan							0.00				
PRILOMI, S.L.	Plan							0.00				
BETA ASOCIADOS, S.L.	Plan							0.00				

Observations

Not applicable.



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iii) Long term savings system.

Name	Remuneration by consolidation of the savings systems rights
Mr. MANUEL MANRIQUE CECILIA	1,055
Mr. DEMETRIO CARCELLER ARCE	
Mr. AUGUSTO DELKADER TEIG	
Mr. FRANCISCO JAVIER ADROHER BIOSCA	
GRUPO CORPORATIVO FUERTES, S.L.	
GRUPO SATOCAN DESARROLLOS, S.L.	
Mr. JUAN MARÍA AGUIRRE GONZALO	
Mr. MATTIAS CORTÉS DOMÍNGUEZ	
PRILLOU, S.L.	
Mrs. ISABEL MARTÍN CASTELLA	
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ	
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	
Mr. RAIMUNDO BAROJA RIEU	
CYMOFAG, S.L.	
PRILOMI, S.L.	
BETA ASOCIADOS, S.L.	

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Name	Contribution of the business year by the company (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non consolidated economic rights		Savings systems with consolidated economic rights		Savings systems with non consolidated economic rights	
	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year
Mr. MANUEL MANRIQUE CECILIA	1,055	1,357			4,217	3,245		
Mr. DEMETRIO CARCELLER ARCE								
Mr. AUGUSTO DELKADER TEIG								
Mr. FRANCISCO JAVIER ADROHER BIOSCA								
GRUPO CORPORATIVO FUERTES, S.L.								
GRUPO SATOCAN DESARROLLOS, S.L.								
Mr. JUAN MARÍA AGUIRRE GONZALO								
Mr. MATIAS CORTÉS DOMÍNGUEZ								
PRILOU, S.L.								
Mrs. ISABEL MARTÍN CASTELLA								
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ								

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Name	Contribution of the business year by the company (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non consolidated economic rights		Savings systems with consolidated economic rights		Savings systems with non consolidated economic rights	
	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ								
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO								
Mr. RAIMUNDO BAROJA RIEU								
CYMOFAG, S.L.								
PRILOMI, S.L.								
BETA ASOCIADOS, S.L.								

Observations

The amount of 1055 (thousands of Euros) refers to the contribution of the savings insurance for Retirement, including the amount of the rights accumulated by the executive director in matters of pensions.

iv) Detail of other concepts

Name	Concept	Retribution amount
Mr. MANUEL MANRIQUE CECILIA	Medical insurance	2
Mr. DEMETRIO CARCELLER ARCE	Concept	
Mr. AUGUSTO DELKADER TEIG	Concept	

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Name	Concept	Retribution amount
Mr. FRANCISCO JAVIER ADROHER BIOSCA	Concept	
GRUPO CORPORATIVO FUERTES, S.L.	Concept	
GRUPO SATOCAN DESARROLLOS, S.L.	Concept	
Mr. JUAN MARÍA AGUIRRE GONZALO	Concept	
Mr. MATIAS CORTÉS DOMÍNGUEZ	Concept	
PRILOU, S.L.	Concept	
Mrs. ISABEL MARTÍN CASTELLA	Concept	
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ	Concept	
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	Concept	
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	Concept	
Mr. RAIMUNDO BAROJA RIEU	Concept	
CYMOFAG, S.L.	Concept	
PRILOMI, S.L.	Concept	
BETA ASOCIADOS, S.L.	Concept	

Observations

In the case of the executive manager, no risk premium has been paid for death or disability, since this risk is covered with the mathematical provision of the retirement savings policy and the "unit link" fund which covers the retirement commitments.

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b) Retributions to company directors for their participation in the boards of other group companies:

i) Retribution accrued in cash (in thousands of €)

Name	Fixed remuneration	Allowances	Remuneration for participation in committees of the board	Salary	Short term variable retribution	Long term variable retribution	Compensation	Other concepts	Total 2018 business year	Total 2017 business year
Mr. MANUEL MANRIQUE CECILIA										
Mr. DEMETRIO CARCELLER ARCE										
Mr. AUGUSTO DELKADER TEIG										
Mr. FRANCISCO JAVIER ADROHER BIOSCA										
GRUPO CORPORATIVO FUERTES, S.L.										
GRUPO SATOCAN DESARROLLOS, S.L.										
Mr. JUAN MARÍA AGUIRRE GONZALO										
Mr. MATIAS CORTÉS DOMÍNGUEZ										
PRILOU, S.L.										
Mrs. ISABEL MARTÍN CASTELLA										
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ										
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ										
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO										
Mr. RAIMUNDO BAROJA RIEU										
CYMOFAG, S.L.										
PRILOMI, S.L.										

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Name	Fixed remuneration	Allowances	Remuneration for participation in committees of the board	Salary	Short term variable retribution	Long term variable retribution	Compensation	Other concepts	Total 2018 business year	Total 2017 business year
BETA ASOCIADOS, S.L.										

Observations

Not applicable.

ii) Chart for the movements of the retribution systems based in actions and gross profit of the consolidated actions or financial instruments.

Name	Plan Name	Financial instruments at the beginning of the 2018 business year		Financial instruments granted during the 2018 business year		Consolidated financial instruments in the business year			Matured and non used instruments	Financial instruments at the end of the 2018 business year		
		Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent / consolidated shares	Price of the consolidated shares		Gross profit of the consolidated shares or financial instruments (thousands of €)	Nº of instruments	Nº of instruments
Mr. MANUEL MANRIQUE CECILIA	Plan							0.00				
Mr. DEMETRIO CARCELLER ARCE	Plan							0.00				

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Name	Plan Name	Financial instruments at the beginning of the 2018 business year		Financial instruments granted during the 2018 business year		Consolidated financial instruments in the business year				Matured and non used instruments	Financial instruments at the end of the 2018 business year	
		Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent / consolidated shares	Price of the consolidated shares	Gross profit of the consolidated shares or financial instruments (thousands of €)		Nº of instruments	Nº Equivalent shares
Mr. AUGUSTO DELKADER TEIG	Plan							0.00				
Mr. FRANCISCO JAVIER ADROHER BIOSCA	Plan							0.00				
GRUPO CORPORATIVO FUERTES, S.L.	Plan							0.00				
GRUPO SATOCAN DESARROLLOS, S.L.	Plan							0.00				
Mr. JUAN MARÍA AGUIRRE GONZALO	Plan							0.00				
Mr. MATIAS CORTÉS DOMÍNGUEZ	Plan							0.00				
PRILOU, S.L.	Plan							0.00				
Mrs. ISABEL MARTÍN CASTELLA	Plan							0.00				

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Name	Plan Name	Financial instruments at the beginning of the 2018 business year		Financial instruments granted during the 2018 business year		Consolidated financial instruments in the business year				Matured and non used instruments	Financial instruments at the end of the 2018 business year		
		Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent shares	Nº of instruments	Nº Equivalent / consolidated shares	Price of the consolidated shares	Gross profit of the consolidated shares or financial instruments (thousands of €)		Nº of instruments	Nº of instruments	Nº Equivalent shares
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ	Plan							0.00					
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	Plan							0.00					
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	Plan							0.00					
Mr. RAIMUNDO BAROJA RIEU	Plan							0.00					
CYMOFAG, S.L.	Plan							0.00					
PRILOMT, S.L.	Plan							0.00					
BETA ASOCIADOS, S.L.	Plan							0.00					

Observations

Not applicable.

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iii) Long term savings system.

Name	Remuneration by consolidation of the savings systems rights
Mr. MANUEL MANRIQUE CECILIA	
Mr. DEMETRIO CARCELLER ARCE	
Mr. AUGUSTO DELKADER TEIG	
Mr. FRANCISCO JAVIER ADROHER BIOSCA	
GRUPO CORPORATIVO FUERTES, S.L.	
GRUPO SATOCAN DESARROLLOS, S.L.	
Mr. JUAN MARÍA AGUIRRE GONZALO	
Mr. MATTIAS CORTÉS DOMÍNGUEZ	
PRILOU, S.L.	
Mrs. ISABEL MARTÍN CASTELLA	
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ	
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	
Mr. RAIMUNDO BAROJA RIEU	
CYMOFAG, S.L.	
PRILOMI, S.L.	
BETA ASOCIADOS, S.L.	

**ANNUAL REPORT ABOUT REMUNERATIONS OF
 THE DIRECTORS OF LISTED CORPORATIONS**

Name	Contribution of the business year by the company (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non consolidated economic rights		Savings systems with consolidated economic rights		Savings systems with non consolidated economic rights	
	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year
Mr. MANUEL MANRIQUE CECILIA								
Mr. DEMETRIO CARCELLER ARCE								
Mr. AUGUSTO DELKADER TEIG								
Mr. FRANCISCO JAVIER ADROHER BIOSCA								
GRUPO CORPORATIVO FUERTES, S.L.								
GRUPO SATOCAN DESARROLLOS, S.L.								
Mr. JUAN MARÍA AGUIRRE GONZALO								
Mr. MATIAS CORTÉS DOMÍNGUEZ								
PRILOU, S.L.								
Mrs. ISABEL MARTÍN CASTELLA								
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ								

JOSÉ LUIS G
 Traductor-Intérprete Jurado de
 INGLÉS
 Nº 1144

**ANNUAL REPORT ABOUT REMUNERATIONS OF
 THE DIRECTORS OF LISTED CORPORATIONS**

Name	Contribution of the business year by the company (thousands of €)				Amount of the accumulated funds (thousands of €)	
	Savings systems with consolidated economic rights		Savings systems with non consolidated economic rights		Savings systems with consolidated economic rights	
	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year	2018 Business Year	2017 Business Year
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ						
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO						
Mr. RAIMUNDO BAROJA RIEU						
CYMOFAG, S.L.						
PRILOMI, S.L.						
BETA ASOCIADOS, S.L.						

Observations

Not applicable.

iv) Detail of other concepts

Name	Concept	Retribution amount
Mr. MANUEL MANRIQUE CECILIA	Concept	
Mr. DEMETRIO CARCELLER ARCE	Concept	
Mr. AUGUSTO DELKADER TEIG	Concept	
Mr. FRANCISCO JAVIER ADROHER BIOSCA	Concept	

**ANNUAL REPORT ABOUT REMUNERATIONS OF
THE DIRECTORS OF LISTED CORPORATIONS**

22 de abril de 2019

Name	Concept	Retribution amount
GRUPO CORPORATIVO FUERTES, S.L.	Concept	
GRUPO SATOCAN DESARROLLOS, S.L.	Concept	
Mr. JUAN MARÍA AGUIRRE GONZALO	Concept	
Mr. MATTIAS CORTÉS DOMÍNGUEZ	Concept	
PRILOU, S.L.	Concept	
Mrs. ISABEL MARTÍN CASTELLA	Concept	
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ	Concept	
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	Concept	
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	Concept	
Mr. RAIMUNDO BAROJA RIEU	Concept	
CYMOFAG, S.L.	Concept	
PRILOMI, S.L.	Concept	
BETA ASOCIADOS, S.L.	Concept	

Observations

Not applicable.

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ANNUAL REPORT ABOUT REMUNERATIONS OF
 THE DIRECTORS OF LISTED CORPORATIONS

- c) Summary of the retributions (thousands of €):
 The summary must include all amounts corresponding to all retribution concepts included in this report which have been accrued by the director, in thousands of Euros.

Name	Retribution accrued in the Company			Retribution accrued in group companies		
	Total of the Shares Remuneration cash	Retribution or instruments by systems by others savings	Retribution or instruments by others concepts	Total of the Shares Remuneration cash	Retribution or instruments by systems by others savings	Retribution or instruments by others concepts
Mr. MANUEL MANRIQUE CECILIA	3,756	1,055	2	4,813		
Mr. DEMETRIO CARCELLER ARCE	148			148		
Mr. AUGUSTO DELKADER TEIG	154			154		
Mr. FRANCISCO JAVIER ADROHER BIOSCA	72			72		
GRUPO CORPORATIVO FUERTES, S.L.	92			92		
GRUPO SATOCAN DESARROLLOS, S.L.	94			94		
Mr. JUAN MARÍA AGUIRRE GONZALO	139			139		
Mr. MATIAS CORTÉS DOMÍNGUEZ	72			72		
PRILOU, S.L.	137			137		
Mrs. ISABEL MARTÍN CASTELLA	111			111		
Mrs. CRISTINA ÁLVAREZ ÁLVAREZ	58			58		
Mrs. MARÍA JESÚS DE JAÉN BELTRÁ	59			59		
Mr. JOSÉ JOAQUÍN GÜELL AMPUERO	63			63		
Mr. RAIMUNDO BAROJA RIEU	31			31		
CYMOFAG, S.L.	24			24		

**ANNUAL REPORT ABOUT REMUNERATIONS OF
 THE DIRECTORS OF LISTED CORPORATIONS**

Name	Retribution accrued in the Company			Retribution accrued in group companies			Total 2018 business year group
	Total cash retribution	Gross profit of the shares instruments financial	Remuneration by systems savings consolidated concepts	Total cash retribution	Gross profit of the shares instruments financial	Remuneration by systems savings consolidated concepts	
PRILOMI, S.L.	24						24
BETA ASOCIADOS, S.L.	36						36
TOTAL	5,070		1,055			2	6,127

Observations

D. OTHER INFORMATION OF INTEREST

If there is any relevant aspect in matters of remuneration of the directors that has not been included in the remaining of the sections of this report, but that it is necessary to be included to gather a more complete and reasoned information regarding the compensation structure and retribution practices regarding its directors, please provide a brief summary.

Additional information regarding the sections of the IRC:

Item 1 of Section A.1:

- Corporate Law:

Article 217 (administrators remuneration) establishes:

1. The position of administrator is free, unless the company by-laws establish otherwise establishing the remuneration system.
2. The established remuneration system will determine the retribution concept or concepts to receive by the administrators as such and can comprise, among others, one or several of the following:
 - a) a fixed retribution,
 - b) attendance allowances,
 - c) profits participation,
 - d) variable retribution with general reference parameters or markers,
 - e) Remunerations in shares or related to its evolution,
 - f) compensations for resignation, as long as the resignation is not caused by the default of the administrator duties and
 - g) the savings or prevision systems that are considered adequate.
3. The maximum amount of the annual remuneration of the administrators as a whole, as such, must be approved by the general meeting and will remain in effect as long as its modification is not approved. Except when the general meeting establishes otherwise, the distribution of the retribution among the different administrators will be established by their agreement and, in case of the board of directors, by its decision, which must take into consideration the duties and responsibilities attributed to each director.
4. The administrators remuneration must in any case keep a reasonable proportion with the importance of the company, the economic situation that it has at each time and the comparable companies market standard. The established remuneration system must focused in promoting the long term company profitability and sustainability and include the necessary cautions to prevent the excessive assumption of risks and the rewards of unfavorable results.

Article 249, sections 3 and 4 of the LSC, according to which:

"3. When a member of the board of directors is appointed managing director or duties by reason of another position a attributed, it will be necessary to hold a contract between said director and the company which must be previously approved by the board of directors with the favorable vote of two thirds of its members. The affected director must abstain from attending the deliberation and participating in the vote. The approved contract must be included as an annex to the meetings minute.

4. The contract will detail all concepts from which a retribution may be obtained for the development of executive duties, including, when applicable, the eventual compensation for early termination in said responsibilities and the amounts to be paid by the company as insurance premiums or contribution to savings systems. The director cannot receive any retribution for the development of executive duties which amounts and concepts are not stipulated in said contract.

The contract must be according to the approved retributions policy, when applicable, by the general meeting".

- Company by-laws:

Article 19.2.c establishes that the following is the responsibility of the General Meeting:

The approval of the maximum retribution for the group of directors, under their condition as such, and their remunerations policy pursuant to the terms established under the Corporate Act.

Article 43 stipulates:

The directors, as members of the Board of Directors, and due to their tasks of supervision and joint decision, will have the right to receive a retribution from the Company which will consist in a fixed annual amount. The maximum joint amount of the retribution of the directors as such will be established by the General Meeting and will remain in effect as long as the Meeting does not agree upon its modification. It will be the responsibility of the Board of Directors, within the limitations established by the General Meeting, to establish for each business year the specific amount to be received by each director in accordance to (i) the positions occupied within said body; (ii) the concurring characteristics of said positions; or (iii) their participation or lack thereof, and the degree of responsibility in the different committees.

2. The directors who, in addition to their tasks of supervision and joint decision, perform executive duties within the Company whichever their relation with the Company, will have the right to receive, for said duties, under the terms previously established by the Board of Directors, in addition to the one mentioned under section 1 above, and subject to what is established under section 3 below, a retribution comprised by: (a) a fixed part, adequate to the services and responsibilities which have been assumed; (b) a variable part, related with some indicator of the director or the company performance; (c) an assistance part, which will take into account the prevision and adequate insurance systems; (d) a compensation just in case of (i) termination not due to default chargeable to the director or (ii) resignation due to causes outside of the directors control, as well as (e) a remuneration by exclusivity, post-contractual non compete and commitment or loyalty agreements.

It is the responsibility, as it was stated before, of the Board of Directors, prior report to the Appointments and Retributions Committee, the establishment of the retribution items as well as their amount which corresponds to the executive directors, as it corresponds to the executive directors, including, in the corresponding measure, the fixed part, the configuration and marker models for the calculation of the variable part (that under no circumstance can consist in a participation of the company profits), the assistance previsions, the compensation for resignation or termination for causes outside of the control of the director and the remunerations for exclusivity, post-contractual non compete, commitment or loyalty agreements. The affected directors will abstain from attending and participating in the corresponding deliberation. The Board of Directors will make sure that the retributions are guided by the market conditions and take into consideration the responsibility and degree of commitment that the role which is expected of each director has.

3. The retributions of the directors (executive and non executive) will be subject to the General Meeting under the terms and conditions established by the law, in effect at each time.

4. In addition, the directors can be retributed with the delivery of Company shares, options over them or retributions linked to the value of the shares. This retribution must be agreed by the General Meeting. The agreement of the General Meeting must include the maximum number of shares that can be assigned in each business year to this remuneration system, the price of the business year or the price calculation of the business year of the options over the shares, the value of the shares that, when applicable, is taken as a reference and the plan life.

5. The Company is authorized to contract a civil liability insurance for its directors.

6. The Company will inform about the retributions of the directors in the terms and conditions established under the applicable law at each time.

- Regulation of the Board:

Article 17.7, sections g and h, establishes:

7. Regardless of other responsibilities assigned by the applicable regulations in force, the Articles of Association, the Regulation or the Board of Directors, the Appointments and Retributions Committee will have the following responsibilities:

(...)

g) Propose to the Board of Directors the retribution policies for directors and general managers or those developing the positions of top management under the direct dependence of the Board of Directors, of executive committees or chief executive officers, as well as the individual retribution and other contractual conditions of the executive directors, ensuring their compliance.

h) Periodically review the retribution programs, particularly of top management and the management team, pondering their adequacy and performance.

Article 27 stipulates:

1. Directors remuneration will be regulated according to what is established in the Articles of Association.

2. The Board will yearly prepare and publish a report about remunerations of the directors with the content that is demanded in the applicable regulation in force at each time.

- Regulation of the Meeting:

Article 3.3 stipulates:

The General Meeting will decide upon matters regarding its competence according to the applicable regulations and the Articles of Association, being the specific responsibility of the General Meeting the adoption of the following agreements:

(...)

3. The approval of the maximum retribution for the group of directors, under their condition as such, and their remunerations policy pursuant to the terms established under the Corporate Act.

"Sacyr, S.A. Remunerations Policy":

Following the application regulation mentioned above, the Shareholders Meeting dated June 16, 2016, by proposal of the Appointments and Retributions Committee, agreed "for the purposes of article 529 novodecies of the Corporate Law consolidated text, to approve the Directors Remunerations Policy, which is described and collected under the document called "Sacyr-Directors Remunerations Policy"..."

The above mentioned remunerations policy has been in effect for the three following business years after the date in which it was approved by the general Meeting, this means, until the current business year of 2019.

Directors retribution:



The company has taken into account when designing the remunerations policies the economic environment, company results, group strategy, legal demands applicable over corporations best market practices and, to a large extent, the Good Corporate Governance Recommendations.

According to article 217.4 of the LSC, the directors retribution has a reasonable proportion with the importance of the company and with the economic situation at the time. Applicable criteria such as moderation and proportionality have been taken into consideration with the purpose of not compromising with an excessive retribution the solvency and the criteria of competitiveness, regarding the market standards of the sector companies in which the company develops its activity.

Therefore, the company directors retribution is adequate to the market demands, intending to be moderate and according to the remunerations of directors of listed companies comparable to Sacyr, S.A. Taking into consideration its size, sector of activity, international implementation and business volume, as much as possible.

The implementation of these criteria in the directors remuneration system, makes it have the following characteristics, making a distinction between the following:

Remuneration of the Directors as such:

The remuneration is aligned with the corporate governance matters standards and the market circumstances paying attention to the company characteristics and its activity.

When establishing the directors structure and retribution levels, the company analyzes retribution market practices from other listed business groups and has the counseling of expert counseling firms.

It incentivizes and rewards, qualification and responsibility, depending on the position and responsibilities assumed by each director in the Board of Directors and its Committees.

Dated May 5, 2016 the Shareholders General Meeting, approved on its item tenth of the agenda to "establish in 2,900,000 Euros the aggregate amount of the by-laws retributions, for the fixed amount as well as the assistance contribution, that the company may satisfy yearly to the group of directors according to what is established under article 43.1. Of the Company By-laws". Said maximum amount is included in the Remunerations Policy, as is described under article 529 septdecies, section 1 of the LSC.

Remuneration of the directors who perform executive duties:

Market trends are taken into consideration in relation with the remunerations structure and global amount.

It is placed before the same agreement with the strategic approach of the Company, being competitive in relation with other comparable entities, in order to be able to attract, hold and motivate the best professionals.

It is the Board of Directors who ensures that the remunerations of the executive director are guided by market conditions, taking into consideration the responsibility and degree of commitment included in the role to be developed.

The directors who perform executive duties in the company, will be entitled to receive, in addition, the remuneration for the performance of those duties which are scheduled under the signed contract, for this purpose, between the director and the company. The Board of Directors will establish the remuneration of the directors for the development of executive duties and the terms and conditions of their contract with the company according to the provisions of article 249 of the LSC and with the remunerations policy of the directors approved in the General Meeting, which will necessarily need to take into consideration the annual fixed retribution amount and its variation in the period referred to by the policy, the different parameters for the establishment of the variable components and the main terms and conditions of their contracts including, particularly, their life, compensations in case of early termination or termination of the contractual relation and exclusivity, non compete, post contractual and permanence or loyalty agreements, according to article 43.2 of the Company By-laws and 529 octodecies of the LSC.

External directors:

The Board of Directors can support its decision related to the remuneration of the directors within the by-laws framework and, when applicable, of the remunerations policy, except when the law attributes them to the Shareholders General Meeting, based on external reports if the deem it necessary or is justified from the company discretion perspective. In the case of the executive director retribution and establishment of the allowance from the Board for the ongoing business year, the market information from KMPG as well as the "Spencer Stuart" report called "Spencer Stuart Board of Directors Index of 2018" have been taken into consideration.

This remunerations annual report has been approved by the company board of directors, in its meeting dated:

[3/28/2019]

State if there have been directors who have voted against or have abstained regarding the approval of this report.



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José Luis Gómez Rodríguez,
Traductor - Intérprete jurado de
inglés, nombrado por el
Ministerio de Asuntos Exteriores y
Cooperación certifica que la que
antecede es traducción fiel y
completa al inglés de un
documento redactado en español.

En Madrid a 22 ABR. 2019



José Luis Gómez Rodríguez, Sworn
Translator - Interpreter to the
English Language, appointed by
the Ministry of Foreign Affairs and
Cooperation certifies that the above
is a faithful and whole translation
into English from a document
drawn in Spanish.

Madrid, 22 ABR. 2019



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