



ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

THE ISSUER'S IDENTIFICATION DETAILS

Reference year end date: 31/12/2018

TAX ID: A84453075

Corporate name:

TALGO, S.A.

Registered address:

PASEO DEL TREN TALGO, 2 (LAS MATAS) MADRID – SPAIN



ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

A. COMPANY REMUNERATION POLICY FOR THE YEAR IN PROGRESS

- A. 1. Explain the current remuneration policy for Directors applicable to the year in process. Where relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting, provided that such inclusion is clear, specific and explicit.

The specific determinations for the current fiscal year must be described, both for the remuneration of Directors due to their status as such and for the performance of executive functions, which the Board has carried out in accordance with the provisions of the contracts signed with the Executive Directors and with the remuneration policy approved by the general meeting.

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

- Description of the procedures and company bodies involved in the determination and approval of the remuneration policy and its conditions.
- Indicate and, if applicable, explain if comparable companies have been taken into account to establish the company's remuneration policy.
- Information on whether an external consultant has participated and, if applicable, identity of the same.

In accordance with the provisions of the Corporate Bylaws and the Board of Directors' Regulations, the general criteria under which the Directors' remuneration is set are as follows:

The remuneration of Directors, in their capacity as such, may comprise the following salary items:

- (i) a fixed allocation,
- (ii) share of profits.

The remuneration of Board members must in any case remain reasonably proportionate with the size of the Company, its economic circumstances at all times, and the market standards for comparable companies.

The remuneration system established must be aimed at promoting the long-term profitability and sustainability of the Company and should incorporate the necessary safeguards to avoid excessive risk-taking and unfavourable financial results.

The remuneration that is applicable in accordance with the general criteria described, fall in the middle of the range, compared to those established by other listed companies, using turnover and company activity for comparison.

- Relative importance of the variable remuneration items with respect to the fixed items (remuneration mix) and what criteria and objectives have been taken into account in their determination and to ensure an adequate balance between the fixed and variable remuneration components. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and adjust it to the long-term objectives, values and interests of the company, which will include, where appropriate, a reference to measures foreseen to ensure that the remuneration policy addresses the long-term results of the company, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile and measures provided to avoid conflicts of interest, where appropriate.

Also, indicate if the company has established any period of accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a deferral period in the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether a clause has been agreed on the reduction of deferred remuneration or that obliges the director to return the remuneration received, when such remuneration has been based on data whose inaccuracy was subsequently demonstrated as evident.



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The Board of Directors and the Appointments and Remuneration Committee shall adopt all the measures that are within their scope to ensure that the External Directors' remuneration is sufficient to compensate their dedication, qualification and responsibility demanded by the role, but not so high as to compromise their independence.

The remuneration policies must include the technical safeguards necessary to ensure that the remuneration reflects the professional performance of its beneficiaries and is not simply based on general market development or the sector in which the Company operates or any other similar circumstances.

The remuneration payable to the Executive Directors in their capacity as company executives, is designed by the Appointments and Remuneration Committee and includes, in addition to fixed criteria, other variable components established according to criteria reviewed annually, so that the Remuneration mix (fixed and variable) depends on performance. The salary items that are taken into consideration for determining the variable part of remuneration are those described below.

- Amount and nature of the fixed components that Directors in their condition of such, are expected to earn in the financial year.

The fixed remuneration of independent external Directors for belonging to the Board of Directors and its committees are as follows:

Independent external Director: € 80,000
PLUS Member of an advisory committee € 10,000
PLUS Chairman of an advisory committee € 10,000
PLUS Independent coordinating director € 20,000

- Amount and nature of the fixed components that will be earned in the financial year for the performance of senior management functions by Executive Directors.

The fixed remuneration of Executive Directors includes: (i) salaries, (ii) compensation in kind, (iii) pension scheme, (iv) life insurance (v) sick leave insurance, (vi) medical insurance. In the financial year 2018, the total amount for all these items amounted to 1,119 thousand euros.

Executive Directors do not receive any additional remuneration due to the fact that they are members of the Board of Directors, nor any subsistence allowances or commissions, nor any other fixed remuneration due to their status as Directors.

There is no additional remuneration for the performance of the position of Chairman of the Board of Directors, which, in the case of the Company, is performed by an Executive Director.

- Amount and nature of any remuneration component in kind that will be accrued during the year, including, but not limited to, the insurance premiums paid in favour of the director.

Remuneration in kind of all the members of the Board of Directors is that related to Executive Directors in the performance of their managerial functions and refer to the renting of vehicles. The rest of the Directors do not have remuneration in kind. The amount of payment in kind for executives amounts to 20 thousand euros.

The Group, through its subsidiary Patentes Talgo, SLU, pays the premiums corresponding to the insurance policies it has taken out with certain insurance companies for the coverage of: (i) life insurance, (ii) funds and pension schemes, and (iii) sick leave insurance.

The total estimated cost of the aforementioned premiums amounts to 30 thousand euros (it includes life insurance, sick leave and pension scheme premiums). Likewise, it pays the premiums corresponding to civil liability policies for the exercise of the position of director and as members of senior management, these premiums amount to 34 thousand euros.

- Amount and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, including social, environmental and climate change indicators, selected to determine variable remuneration in the current financial year, an explanation of the extent to which such parameters are related to the performance of both the director and the entity and its risk profile, and the methodology, necessary term and techniques foreseen to be able to determine, at the end of the year, the degree of compliance with the parameters used in the design of the variable remuneration.

Indicate the range in monetary terms of the different variable components depending on the degree of compliance with the established objectives and parameters, and if there is a maximum monetary amount in absolute terms.

The only Directors that receive variable remuneration are the Executive Directors. The Board of Directors has agreed to maintain the maximum limit of the annual variable remuneration of the Chairman and the CEO at 100% of their annual gross salary (i.e., 293 thousand euros for the Chairman and 287 thousand euros for the CEO) for the year 2019, the same as in 2018.

The amount of the variable remuneration earned by the Company's Chairman in 2018 amounted to 242 thousand euros and that of the corresponding remuneration to the CEO in the same year amounted to 237 thousand euros. The parameters to which the payment of annual variable remuneration is linked, are focused on the evolution of the company in the medium-term and, and they essentially lie on three variables: (i) EBITDA, (ii) Net Financial Debt, (iii) Gross margin.

- Main characteristics of long-term savings systems. Among other information, they will state the contingencies covered by the system, if it is a defined contribution or benefit, the annual contribution that must be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions of consolidation of benefit accrual in favour of the Directors and their compatibility with any type of payment or compensation for termination or early termination, or arising from the termination of the contractual relationship, in the terms provided, between the company and the director.

It should be indicated if the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the director's short and long-term performance.

The Group, through its subsidiary Patentes Talgo, SLU, pays the premiums corresponding to the insurance policies it has taken out with certain insurance companies for the coverage of: (i) life insurance, (ii) funds and pension schemes, and (iii) sick leave insurance.

The total estimated cost of the aforementioned premiums amounts to 47 thousand euros (it includes life insurance, sick leave and pension scheme premiums).

Likewise, it pays the premiums corresponding to civil liability policies for the exercise of the position of director and as members of senior management, these premiums amount to 34 thousand euros.

The accrual is not linked to the achievement of parameters or objectives.

- Any type of payment or compensation for termination or early termination or resulting from the cancellation of the contractual relationship in the terms foreseen between the company and the director, be the termination at the will of the company or the director, as well as any type of covenants, such as exclusivity, non-post-contractual concurrence and tenure or loyalty, which give the director a right to any kind of payment.

The Company has not agreed or paid any compensation for the case of termination of the duties as a director.

- Indicate the conditions that must be respected in the contracts of those who exercise senior management functions as Executive Directors.

Among others, the duration, the limits to compensation amounts, tenure clauses, notice periods, as well as the payment to avoid the aforementioned notice period, and any other clauses relating to hiring bonuses, compensation payments or golden handshakes for early termination or cancellation of the contractual relationship between the company and the Executive Director, must be reported. Include, among others, the covenants or agreements of non-concurrence, exclusivity, tenure or loyalty and post-contractual non-competition, unless they have been explained in the previous section.



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Executive Director contracts signed in the subsidiary Patentes Talgo, SLU for the performance of the management functions, are of a permanent nature and they thus provide for economic compensation in the event of termination of the contractual relationship with the company, provided that this termination is not a consequence of a breach of their obligations. The notice period established in their contracts is six (6) months.

There is a post-contractual non-competition agreement with a duration of two (2) years from the date of termination of the employment relationship and with a penalty clause in the case of non-compliance.

With regard to compensation for termination of the contractual relationship, payment of twelve (12) monthly salary payments is foreseen in both cases.

- The nature and estimated amount of any other supplementary remuneration that will be accrued by the Directors in the current year as consideration for services rendered other than those inherent to their position.

None

- Other remuneration items such as derivatives, where applicable, when the company grants advances, credits and guarantees and other remuneration to Directors.

None

- The nature and estimated amount of any other expected supplementary remuneration not included in the previous sections, whether it is paid by the entity or another entity of the group, which will be accrued by the Directors in the current year.

None

A.2. Explain any relevant change in the remuneration policy applicable in the current year arising from:

- A new policy or a modification of the policy already approved by the Board.
- Relevant changes in the specific determinations established by the Board for the current year of the current remuneration policy with respect to those applied in the previous year.
- Proposals that the Board of Directors had agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

Not applicable

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

www.talgo.com/es/investors/reglamentos-internos/

A.4. Explain, taking into account the information provided in section B.4, how the vote of the shareholders was taken into account in the general meeting to which the annual remuneration report of the previous year was submitted for a vote, in an advisory capacity.

Based on the percentage of favourable votes (99.97%), the remuneration approved by the Board was established for the 2018 fiscal year.



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B. OVERVIEW OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE LAST FINANCIAL YEAR

- B. 1.** Explain the process that has been followed to apply the remuneration policy and determine the individual remuneration that is reflected in section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, where appropriate, the identity and role of the external advisors whose services have been used in the process of applying the remuneration policy in the last financial year.

The Appointments and Remuneration Committee of the Company holds regular meetings in which it deals with and discusses proposals to be submitted for approval by the Board of Directors in relation to the remuneration policy applicable to Company Directors. The Appointments and Remuneration Committee is made up of three members, two of whom are independent Directors (including the Chairman) and one proprietary Director.

For the determination and definition of the remuneration policy, the Appointments and Remuneration Committee analyses the remuneration model applied based on: (i) the responsibility and functions performed by each director, (ii) the objective of creating value for shareholders and employees of the Company and (iii) the remuneration trends observed in other comparable companies.

For the adoption of its decisions, the Appointments and Remuneration Committee has information and advice from the Company's internal services. Likewise, the Committee contrasts the main data with those corresponding to markets and comparable entities, taking into account the size, international standing and characteristics of the Company, in order to ensure that the Company's remuneration policy is in line with the practice of the international market.

The Company intends, with the remuneration policy applicable to Directors and Senior Executives, to recognize the quality of its performance and to implement the Board of Directors' objective of rewarding, attracting and retaining talent and management capacity.

- B.2.** Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reduce exposure to excessive risks and adjust it to the company's long-term objectives, values and interests, including a reference to the measures that have been adopted to ensure that the accrued remuneration has been addressed to the long-term results of the company and reached an adequate balance between the fixed and variable components of remuneration, what measures have been adopted in relation to those personnel categories whose professional activities have a material impact on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

The Company's remuneration policy is designed and supported by the studies and analyses carried out by the Board of Directors and the Appointments and Remuneration Committee, taking into consideration the size of the company, market, prudence and targeting both industrial and financial objectives.

The Appointments and Remuneration Committee counts on the advice of an independent consultancy to develop these policies.

- B.3.** Explain how the remuneration accrued in the year complies with the provisions of the current remuneration policy.

Also report on the relationship between the remuneration obtained by the Directors and the results or other short and long-term performance measures of the entity, explaining, where applicable, how the variations in the company's performance could have influenced the variation in Directors' remuneration, including that whose payment had been deferred, and how these contribute to the company's short and long-term results.

The criteria to determine the annual variable remuneration are only applicable to the Executive Directors of the subsidiary Patentes Talgo SLU

These criteria are determined by the Appointments and Remuneration Committee and are linked to the Group's growth in the medium and long term under economic-financial parameters on the one hand and long-term industrial development, on the other, taking into account operational and financial criteria and the development of specific projects. For the determination of the individual objectives of each of the Executive Directors, as also occurs in the case of other Senior Executives in the Company, the Remuneration and Appointments Committee takes into consideration both the progress and overall growth of the Group and the degree of performance and contribution to the achievement of the overall objectives of each of the aforementioned Executive Directors.

B.4. Provide information about the result of the advisory vote by the General Shareholders' Meeting regarding the annual report on the previous year's remuneration, indicating the number of negative votes cast, where applicable.

	Number	% over the total
Votes cast	87,149,394	63.82
	Number	% over cast
Negative votes cast	9,084	0.01
Positive votes	86,623,621	99.40
Abstaining	516,689	0.59

Comments

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

The fixed remuneration of the independent external Directors for belonging to the Board of Directors and its committees are the following and have not experienced changes with respect to the previous year:

- Independent external director: 80 thousand euros
- PLUS Member of an advisory committee: 10 thousand euros.
- PLUS Chairman of an advisory committee: 10 thousand euros.
- PLUS Independent coordinating Director: 20 thousand euros.

The remuneration of Board members must in any case remain reasonably proportionate with the size of the Company, the economic situation being experienced at that given moment, and the market standards of comparable companies.

B.6. Explain how the salaries accrued during the year have been determined by each of the Executive Directors for the performance of management functions, and how they have varied from the previous year.

The salaries of Executive Directors are proposed by the Appointments and Remuneration Committee and approved by the Board. During the financial year 2018, the aforementioned committee approved the new salaries identified in section C.1.

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

In particular:

- Identify each of the payment plans that have determined the different variable remuneration accrued by each of the Directors during the year in question, including information on their scope, their approval date, implementation date, accrual periods and validity, criteria that they have been used to evaluate performance and how this has impacted the setting of the variable amount accrued, as well as the measurement criteria that have been used and the time needed to be able to adequately assess all the stipulated conditions and criteria.



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In the case of share option plans or other financial instruments, the general characteristics of each plan will include information on the conditions to acquire unconditional ownership (consolidation), as well as to be able to exercise said options or financial instruments, including the price and term of the same.

- Each one of the Directors, and their category (Executive Directors, external proprietary Directors, independent external Directors or other external Directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.

- Where applicable, information will be provided on the periods of accrual or deferment of payment established that have been applied and/or the periods of retention/non-disposal of shares or other financial instruments, if they exist.

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

The parameters to which the payment of annual variable remuneration is linked are focused on the Group's growth in the medium term and mainly lie on three variables in an equitable proportion of 33%: (i) EBITDA, (ii) Net financial debt and (iii) Gross Margin.

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

Not applicable

B.8. Indicate whether it has proceeded to reduce or claim the return of certain variable components when, in the first case, the payment was consolidated and deferred or, in the second case, it was consolidated and paid, based on data whose inaccuracy was subsequently demonstrated as evident. Describe the amounts reduced or returned by the application of clauses of reduction or refund (clawback), why they have been executed and the financial years to which they correspond.

Not applicable

B.9. Explain the main characteristics of long-term savings systems whose amount or annual equivalent cost is shown in the tables in Section C, including retirement and any other survival benefit, which are financed, either partially or totally, by the company, whether internally or externally endowed, indicating the type of plan, if it is a defined contribution or benefit, the contingencies it covers, the conditions for consolidating the benefit accrual in favour of the Directors and their compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

The two Executive Directors are beneficiaries of a defined pension scheme maintained by the subsidiary Patentes Talgo SL for all its employees with an external financial entity and to which an amount equivalent to 4% of the gross salary plus seniority of each worker is contributed annually.



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B.10. Explain, where appropriate, compensation or any other type of payment derived from the early termination, be it the cessation at the will of the company or the director, or the termination of the contract, in the terms provided therein, accrued and/or received by the Directors during the previous financial year.

Not applicable

B.11. Indicate whether there have been significant changes in the contracts of those who exercise senior management functions as Executive Directors and, where appropriate, explain them. Also, explain the main conditions of the new contracts signed with Executive Directors during the year, unless they have already been explained in section A.1.

There have been no significant changes in Executive Directors' contracts.

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

None

B.13. Explain any remuneration derived from the granting of advances, credits and guarantees, indicating the interest rate, their essential characteristics and the amounts eventually returned, as well as the obligations assumed on their behalf as collateral.

None

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

Remuneration in kind of all the members of the Board of Directors is that related to Executive Directors in the performance of their managerial functions and refer to the renting of vehicles. The rest of the Directors do not receive remuneration in any kind. The amount of payment in kind for executives amounts to 20 thousand euros.

B.15. Explain the remuneration accrued by the director by virtue of the payments made by the listed company to a third entity in which the director provides services, when said payments are intended to remunerate the services of the latter in the company.

None

B.16. Explain any other remuneration item different from the previous ones, regardless of its nature or the group entity that satisfies it, especially when it is considered a related operation or its issuance distorts the true image of the total remuneration accrued by the director.

None



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B. DETAIL OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Period of accrual year 2018
Mr. CARLOS PALACIO ORIOL	Executive Chairman	From 01/01/2018 to 31/12/2018
Mr. JOSÉ MARÍA ORIOL FABRA	CEO	From 01/01/2018 to 31/12/2018
Mr. FRANCISCO JAVIER BAÑON TREVIÑO	Proprietary Director	From 01/01/2018 to 31/12/2018
Mr. IGNACIO MATAIX ENTERO	Independent Director	From 30/06/2018 to 31/12/2018
Mr. SEGUNDO VALLEJO ABAD	Independent Director	From 01/10/2018 to 31/12/2018
Mr. ANTONIO OPORTO DEL OLMO	Independent Director	From 01/10/2018 to 31/12/2018
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ	Proprietary Director	From 01/01/2018 to 31/12/2018
Mr. EMILIO NOVELA BERLIN	Independent Director	From 01/01/2018 to 31/12/2018
Mr. JOHN CHARLES POPE	Independent Director	From 01/01/2018 to 31/12/2018
Mr. RAMÓN HERMOSILLA GIMENO	Other External Director	From 01/01/2018 to 31/12/2018
Mr. MICHEL MOREAU	Independent Director	From 01/01/2018 to 31/12/2018
NUEVA COMPAÑIA DE INVERSIONES SA	Proprietary Director	From 01/01/2018 to 31/12/2018
Mr. ALBERTUS MEERSTADT	Independent Director	From 01/01/2018 to 31/12/2018
PEGASO TRANSPORTATION INTERNATIONAL SCA	Proprietary Director	From 01/01/2018 to 31/12/2018
Ms. BELÉN VILLALONGA MORENÉS	Independent Director	From 01/01/2018 to 24/07/2018
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	Independent Director	From 01/01/2018 to 31/12/2018

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C. 1. Complete the following tables regarding the individual remuneration of each of the Directors (including compensation for the exercise of executive functions) accrued during the year.

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

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

Name	Fixed Remuneration	Allowances	Remuneration for serving on Board committees	Wage	Short-term Variable compensation	Long-term variable compensation	Compensation	Other items	Total Financial Year 2018	Total Financial Year 2017
Mr. CARLOS PALACIO ORIOL										
Mr. JOSÉ MARÍA ORIOL FABRA										
Mr. FRANCISCO JAVIER BAÑON TREVIÑO										
Mr. IGNACIO MATAIX ENTERO	40								40	
Mr. SEGUNDO VALLEJO ABAD	20								20	
Mr. ANTONIO OPORTO DEL OLMO	30		5						35	
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ										
Mr. EMILIO NOVELA BERLIN	100		20						120	120
Mr. JOHN CHARLES POPE	80		10						90	90
Mr. RAMÓN HERMOSILLA GIMENO	80								80	80
Mr. MICHEL MOREAU	80		10						90	90
NUEVA COMPAÑIA DE INVERSIONES SA										
Mr. ALBERTUS MEERSTADT	80		20						100	100
PEGASO TRANSPORTATION INTERNATIONAL SCA										
Ms. BELÉN VILLALONGA MORENÉS	50		6						56	90
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	80		10						90	90

Comments

ii) Table of movements of the remuneration systems based on shares and gross profit of the shares or consolidated financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of the financial year 2018		Financial instruments granted during the year 2018		Financial instruments consolidated in the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2018	
		No. instruments	No. of Equivalent Shares	No. instruments	No. of Equivalent Shares	No. instruments	N ° Equivalent / Consolidated Shares	Equity price	Gross profit of the shares or consolidated financial instruments (thousands €)	No. instruments	No. instruments	No. of Equivalent Shares
Mr. CARLOS PALACIO ORIOL	Plan							0.00				
Mr. JOSÉ MARÍA ORIOL FABRA	Plan							0.00				
Mr. FRANCISCO JAVIER BAÑON TREVIÑO	Plan							0.00				
Mr. IGNACIO MATAIX ENTERO	Plan							0.00				
Mr. SEGUNDO VALLEJO ABAD	Plan							0.00				
Mr. ANTONIO OPORTO DEL OLMO	Plan							0.00				
Mr. JOSÉ MARÍA MUNOZ DOMÍNGUEZ	Plan							0.00				
Mr. EMILIO NOVELA BERLIN	Plan							0.00				
Mr. JOHN CHARLES POPE	Plan							0.00				

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Name	Name of the plan	Financial instruments at the beginning of the financial year 2018		Financial instruments granted during the year 2018		Financial instruments consolidated in the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2018	
		No. instruments	No. of Equivalent Shares	No. instruments	No. of Equivalent Shares	No. instruments	N ° Equivalent / Consolidated Shares	Equity price	Gross profit of the shares or consolidated financial instruments (thousands €)	No. instruments	No. instruments	No. of Equivalent Shares
Mr. RAMÓN HERMOSILLA GIMENO	Plan							0.00				
Mr. MICHEL MOREAU	Plan							0.00				
NUEVA COMPAÑIA DE INVERSIONES SA	Plan							0.00				
Mr. ALBERTUS MEERSTADT	Plan							0.00				
PEGASO TRANSPORTATION INTERNATIONAL SCA	Plan							0.00				
Ms. BELÉN VILLALONGA MORENÉS	Plan							0.00				
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	Plan							0.00				

Comments

iii) Long-term savings plans

Name	Compensation for consolidation of rights to savings schemes
Mr. CARLOS PALACIO ORIOL	
Mr. JOSÉ MARÍA ORIOL FABRA	
Mr. FRANCISCO JAVIER BAÑON TREVIÑO	
Mr. IGNACIO MATAIX ENTERO	
Mr. SEGUNDO VALLEJO ABAD	
Mr. ANTONIO OPORTO DEL OLMO	
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ	
Mr. EMILIO NOVELA BERLIN	
Mr. JOHN CHARLES POPE	
Mr. RAMÓN HERMOSILLA GIMENO	
Mr. MICHEL MOREAU	
NUEVA COMPAÑIA DE INVERSIONES SA	
Mr. ALBERTUS MEERSTADT	
PEGASO TRANSPORTATION INTERNATIONAL SCA	
Ms. BELÉN VILLALONGA MORENÉS	
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	

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Name	Company's contribution (thousands €)				Amount of the accumulated funds (thousands €)			
	Savings schemes with rights consolidated economic		Savings schemes with unconsolidated benefit accrual		Savings schemes with rights consolidated economic		Savings schemes with unconsolidated benefit accrual	
	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017
Mr. CARLOS PALACIO ORIOL								
Mr. JOSÉ MARÍA ORIOL FABRA								
Mr. FRANCISCO JAVIER BAÑON TREVIÑO								
Mr. IGNACIO MATAIX ENTERO								
Mr. SEGUNDO VALLEJO ABAD								
Mr. ANTONIO OPORTO DEL OLMO								
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ								
Mr. EMILIO NOVELA BERLIN								
Mr. JOHN CHARLES POPE								
Mr. RAMÓN HERMOSILLA GIMENO								
Mr. MICHEL MOREAU								
NUEVA COMPAÑIA DE INVERSIONES SA								
Mr. ALBERTUS MEERSTADT								

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Name	Company's contribution (thousands €)				Amount of the accumulated funds (thousands €)			
	Savings schemes with consolidated benefit accrual		Savings schemes with unconsolidated benefit accrual		Savings schemes with consolidated benefit accrual		Savings schemes with unconsolidated benefit accrual	
	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017
PEGASO TRANSPORTATION INTERNATIONAL SCA								
Ms. BELÉN VILLALONGA MORENÉS								
Mr. JUAN JOSÉ NÁRDIZ AMURRIO								

Comments

iv) Detail of other items

Name	Item	Remuneration amount
Mr. CARLOS PALACIO ORIOL	Item	
Mr. JOSÉ MARÍA ORIOL FABRA	Item	
Mr. FRANCISCO JAVIER BAÑON TREVIÑO	Item	
Mr. IGNACIO MATAIX ENTERO	Item	
Mr. SEGUNDO VALLEJO ABAD	Item	
Mr. ANTONIO OPORTO DEL OLMO	Item	
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ	Item	

ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Name	Item	Remuneration amount
Mr. EMILIO NOVELA BERLIN	Item	
Mr. JOHN CHARLES POPE	Item	
Mr. RAMÓN HERMOSILLA GIMENO	Item	
Mr. MICHEL MOREAU	Item	
NUEVA COMPAÑIA DE INVERSIONES SA	Item	
Mr. ALBERTUS MEERSTADT	Item	
PEGASO TRANSPORTATION INTERNATIONAL SCA	Item	
Ms. BELÉN VILLALONGA MORENÉS	Item	
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	Item	

Comments

b) Remuneration to company directors due to their membership of the Boards of other group companies:

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

Name	Remuneration fixed	Allowances	Remuneration for serving on Board committees	Wage	Short-term variable compensation	Long-term variable compensation	Compensation	Other items	Total Year 2018	Total Year 2017
Mr. CARLOS PALACIO ORIOL				294	242				536	467
Mr. JOSÉ MARÍA ORIOL FABRA				286	237				523	442
Mr. FRANCISCO JAVIER BAÑON TREVIÑO										



**ANNUAL REPORT ON THE REMUNERATION OF
THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES**

Name	Fixed Remuneration	Allowances	Remuneration for serving on Board committees	Wage	Short-term Variable compensation	Long-term variable compensation	Compensation	Other items	Total Financial Year 2018	Total Financial Year 2017
Mr. IGNACIO MATAIX ENTERO										
Mr. SEGUNDO VALLEJO ABAD										
Mr. ANTONIO OPORTO DEL OLMO										
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ										
Mr. EMILIO NOVELA BERLIN										
Mr. JOHN CHARLES POPE										
Mr. RAMÓN HERMOSILLA GIMENO										
Mr. MICHEL MOREAU										
NUEVA COMPAÑIA DE INVERSIONES SA										
Mr. ALBERTUS MEERSTADT										
PEGASO TRANSPORTATION INTERNATIONAL SCA										
Ms. BELÉN VILLALONGA MORENÉS										
Mr. JUAN JOSÉ NÁRDIZ AMURRIO										

Comments

ii) Table of movements of the remuneration systems based on shares and gross profit of the shares or consolidated financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of the financial year 2018		Financial instruments granted during the year 2018		Financial instruments consolidated in the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2018	
		No. instruments	No. of Shares equivalents	No. instruments	No. of Equivalent Shares	No. instruments	No. of Shares equivalents/ consolidated	Equity price	Gross profit of the shares or consolidated financial instruments (thousands €)	No. instruments	No. instruments	No. of Equivalent Shares
Mr. CARLOS PALACIO ORIOL	Plan							0.00				
Mr. JOSÉ MARÍA ORIOL FABRA	Plan							0.00				
Mr. FRANCISCO JAVIER BAÑON TREVIÑO	Plan							0.00				
Mr. IGNACIO MATAIX ENTERO	Plan							0.00				
Mr. SEGUNDO VALLEJO ABAD	Plan							0.00				
Mr. ANTONIO OPORTO DEL OLMO	Plan							0.00				
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ	Plan							0.00				
Mr. EMILIO NOVELA BERLIN	Plan							0.00				

**ANNUAL REPORT ON THE REMUNERATION OF
THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES**

Name	Name of the Plan	Financial instruments at the beginning of the financial year 2018		Financial instruments granted during the year 2018		Financial instruments consolidated in the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2018	
		No. instruments	No. of Shares equivalents	No. instruments	No. of Equivalent Shares	No. instruments	No. of Shares equivalents/ Consolidated	Equity price	Gross profit of the shares or consolidated financial instruments (thousands €)	No. instruments	No. instruments	No. of Equivalent Shares
Mr. JOHN CHARLES POPE	Plan							0.00				
Mr. RAMÓN HERMOSILLA GIMENO	Plan							0.00				
Mr. MICHEL MOREAU	Plan							0.00				
NUEVA COMPAÑIA DE INVERSIONES SA	Plan							0.00				
Mr. ALBERTUS MEERSTADT	Plan							0.00				
PEGASO TRANSPORTATION INTERNATIONAL SCA	Plan							0.00				
Ms. BELÉN VILLALONGA MORENÉS	Plan							0.00				

**ANNUAL REPORT ON THE REMUNERATION OF
THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES**

Name	Name of the plan	Financial instruments at the beginning of the financial year 2018		Financial instruments granted during the year 2018		Financial instruments consolidated in the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2018	
		No. instruments	No. of Shares equivalents	No. instruments	No. of Equivalent Shares	No. instruments	No. of Shares equivalents/ Consolidated	Equity price	Gross profit of the shares or consolidated financial instruments (thousands €)	No. instruments	No. instruments	No. of Equivalent Shares
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	Plan							0.00				

Comments

iii) Long-term savings schemes

Name	Compensation for consolidation of rights to savings schemes
Mr. CARLOS PALACIO ORIOL	11
Mr. JOSÉ MARÍA ORIOL FABRA	11
Mr. FRANCISCO JAVIER BAÑÓN TREVIÑO	
Mr. IGNACIO MATAIX ENTERO	
Mr. SEGUNDO VALLEJO ABAD	
Mr. ANTONIO OPORTO DEL OLMO	

ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Name	Compensation for consolidation of rights to savings schemes
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ	
Mr. EMILIO NOVELA BERLIN	
Mr. JOHN CHARLES POPE	
Mr. RAMÓN HERMOSILLA GIMENO	
Mr. MICHEL MOREAU	
NUEVA COMPAÑÍA DE INVERSIONES SA	
Mr. ALBERTUS MEERSTADT	
PEGASO TRANSPORTATION INTERNATIONAL SCA	
Ms. BELÉN VILLALONGA MORENÉS	
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	

Name	Company's contribution (thousands €)				Amount of the accumulated funds (thousands €)			
	Savings schemes with rights consolidated economic		Savings schemes with unconsolidated benefit accrual		Savings schemes with rights consolidated economic		Savings schemes with unconsolidated benefit accrual	
	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017
Mr. CARLOS PALACIO ORIOL	11	9			238	237		
Mr. JOSÉ MARÍA ORIOL FABRA	11	9			201	198		
Mr. FRANCISCO JAVIER BAÑON TREVIÑO								
Mr. IGNACIO MATAIX ENTERO								

**ANNUAL REPORT ON THE REMUNERATION OF
THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES**

Name	Company's contribution (thousands €)				Amount of the accumulated funds (thousands €)			
	Savings schemes with rights consolidated economic		Savings schemes with unconsolidated benefit accrual		Savings schemes with rights consolidated economic		Savings schemes with unconsolidated benefit accrual	
	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017	Financial Year 2018	Financial Year 2017
Mr. SEGUNDO VALLEJO ABAD								
Mr. ANTONIO OPORTO DEL OLMO								
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ								
Mr. EMILIO NOVELA BERLIN								
Mr. JOHN CHARLES POPE								
Mr. RAMÓN HERMOSILLA GIMENO								
Mr. MICHEL MOREAU								
NUEVA COMPAÑIA DE INVERSIONES SA								
Mr. ALBERTUS MEERSTADT								
PEGASO TRANSPORTATION INTERNATIONAL SCA								
Ms. BELÉN VILLALONGA MORENÉS								
Mr. JUAN JOSÉ NÁRDIZ AMURRIO								

Comments



iv) Detail of other items

Name	Item	Remuneration amount
Mr. CARLOS PALACIO ORIOL	Item	22
Mr. JOSÉ MARÍA ORIOL FABRA	Item	16
Mr. FRANCISCO JAVIER BAÑON TREVIÑO	Item	
Mr. IGNACIO MATAIX ENTERO	Item	
Mr. SEGUNDO VALLEJO ABAD	Item	
Mr. ANTONIO OPORTO DEL OLMO	Item	
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ	Item	
Mr. EMILIO NOVELA BERLIN	Item	
Mr. JOHN CHARLES POPE	Item	
Mr. RAMÓN HERMOSILLA GIMENO	Item	
Mr. MICHEL MOREAU	Item	
NUEVA COMPAÑIA DE INVERSIONES SA	Item	
Mr. ALBERTUS MEERSTADT	Item	
PEGASO TRANSPORTATION INTERNATIONAL SCA	Item	
Ms. BELÉN VILLALONGA MORENÉS	Item	

ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Name	Item	Remuneration amount
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	Item	

Comments

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

The amounts corresponding to all the remuneration items included in this report that have been accrued by the director in thousand euros must be included in the summary.

Name	Accrued Remuneration in the Company					Accrued Remuneration in companies of the group				
	Total Remuneration in cash	Gross profit of the shares or consolidated financial instruments	Compensation through savings schemes	Remuneration through other items	Total Year 2018 company	Total Remuneration in cash	Gross profit of the shares or consolidated financial instruments	Compensation through savings schemes	Remuneration through other items	Total Year 2018 group
Mr. CARLOS PALACIO ORIOL						536		11	22	569
Mr. JOSÉ MARÍA ORIOL FABRA						523		11	16	550
Mr. FRANCISCO JAVIER BAÑON TREVIÑO										
Mr. IGNACIO MATAIX ENTERO	40				40					
Mr. SEGUNDO VALLEJO ABAD	20				20					
Mr. ANTONIO OPORTO DEL OLMO	35				35					
Mr. JOSÉ MARÍA MUÑOZ DOMÍNGUEZ										
Mr. EMILIO NOVELA BERLIN	120				120					
Mr. JOHN CHARLES POPE	90				90					



**ANNUAL REPORT ON THE REMUNERATION OF
THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES**

Name	Accrued Remuneration in the Company					Accrued Remuneration in companies of the group				
	Total Remuneration in cash	Gross profit of the shares or consolidated financial instruments	Compensation through savings schemes	Remuneration through other items	Total Year 2018 company	Total Remuneration in cash	Gross profit of the shares or consolidated financial instruments	Compensation through savings schemes	Remuneration through other items	Total Year 2018 group
Mr. RAMÓN HERMOSILLA GIMENO	80				80					
Mr. MICHEL MOREAU	90				90					
NUEVA COMPAÑIA DE INVERSIONES SA										
Mr. ALBERTUS MEERSTADT	100				100					
PEGASO TRANSPORTATION INTERNATIONAL SCA										
Ms. BELÉN VILLALONGA MORENÉS	56				56					
Mr. JUAN JOSÉ NÁRDIZ AMURRIO	90				90					
TOTAL	721				721	1,059		22	38	1,119

Comments





ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

D. OTHER RELEVANT INFORMATION

If there are any other significant aspects about Directors' remuneration that have not been disclosed in any of the other sections of this report, but which must be included to provide a more complete and reasoned set of information about the structure and remuneration practices of the company regarding its directors, briefly describe them.

Not applicable

This annual remuneration report was approved by the company's Board of Directors, in its session dated:

28/02/2019

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

Yes
 No