

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

ISSUER'S IDENTIFICATION PARTICULARS

FINANCIAL YEAR REFERENCE DATE 31/12/2018

SPANISH CORPORATE TAX NUMBER (C.I.F.) A-08015497

Company Name:

NATURGY ENERGY GROUP, S.A.

Registered Office:

Avenida de San Luis, 77 – 28033 Madrid

A COMPANY REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1 Explain the Directors' Remuneration Policy in force applicable to the current financial year. Insofar as it is relevant, certain information referring to the Remuneration Policy approved by the General Shareholders' Meeting may be included, as long as the same is clear, specific and concise.

The decisions specific to the current financial year should be described, including the remuneration of the Directors for their capacity as such as well as for exercising executive functions, that the Board may have carried out in accordance with that set forth in the contracts signed with the Executive Directors and with the Remuneration Policy approved by the General Shareholders' Meeting.

In any case, information should be given on the following aspects, at the very least:

- Description of the procedures and bodies of the Company involved in the determination and approval of the Remuneration Policy and its terms and conditions.
- Indicate and, as the case may be, explain if comparable companies have been examined to establish the Company's Remuneration Policy.
- Information on whether any External Consultant has participated and, as the case may be, the identity of the same.

Explain the Remuneration Policy

When establishing its remuneration policies, the aim of the Company, in accordance with that set forth in new Art. 9 of the Articles of Association, is to promote the long-term profitability and sustainability of the Company, through the creation of sustainable value over time, while ensuring that the Remuneration Policy is both transparent and competitive.

The Company's Articles of Association and the Remuneration Policy of the Directors were approved by the General Shareholders' Meeting on 27 June 2018 and said policy is decided upon and reviewed on a regular basis by the Board of Directors subject to favourable report from the Appointments and Remuneration Committee, in order to maintain the Remuneration Policy of the Company in line with the best practices in the reference market and with the objectives stipulated in the Articles of Association. To this end, the proposal to adapt said policy to include the long-term incentive set forth in the 2018-2022 Strategic Plan designed as a system to align the remuneration of the Executive Directors with long-term value creation for all Shareholders, in accordance with that established in the Company's Articles of Association, shall be submitted to the next General Shareholders' Meeting.

The remuneration of the Directors is based on the following principles:

- It must be sufficient to compensate their dedication, experience and responsibility, without compromising their independence.
- It must be on a par with market standards and reflect the remuneration paid to Directors of peer-listed companies of similar stature to NATURGY ENERGY GROUP S.A.
- It should facilitate the Company having access to the best talent possible available at any moment in time.

Art. 9 of the Company's Articles of Association establishes a Directors' remuneration regime for generic functions as well as those specifically executive and delegated.

Remuneration for non-executive functions involves an annual fixed payment that may be in the form of remuneration in shares or reference them. The distribution of said remuneration, within the limit periodically set in the Remuneration Policy, is performed by the Board of Directors and may be different depending on the Committee(s) to which each Director is a member and the dedication and responsibility required for each position(s). It may also differ depending on the responsibility and function assumed by each Director on the Board or on the Committee(s).

The remuneration of the Executive Chairman for specifically exercising executive and delegated functions is made up of the following concepts:

- Annual fixed base remuneration. Includes any remuneration paid for being a member of any governing body of a company of the Naturgy group, including its parent company.
- Annual variable remuneration based on 100% of the total annual fixed monetary remuneration adjusted according to the rate of attainment of the objectives met. Payment in cash may be replaced every year in all or part by a contribution to a social welfare system, on mutual agreement.
- Multi-year Variable Remuneration or Long-Term Incentive Plan; linked to the return obtained by the Shareholders during the reference period that aligns to a great extent with the 2018-2022 Strategic Plan.
- Other social welfare benefits such as medical healthcare insurance, company car, disability and life insurance, capped gas and electricity usage discounts and Group savings-linked insurance policy.

In addition to the foregoing, the Board of Directors may establish other variable remuneration in the case of special transactions, in terms of the objectives linked to its attainment and in terms of remuneration for the benefits obtained.

The general remuneration scheme was approved by the Board of Directors during their meeting on 6 February, 2018. The amount paid for non-executive functions was adjusted on 27 June to the new simplified composition of the Board. The objectives of the yearly and multi-year

variable remuneration were fixed by the Board of Directors once the Strategic Plan was approved. The remuneration of the Directors for 2019 was reviewed in the Board meeting held on 29 January 2019. Approvals by the Board were preceded by numerous meetings of the Appointments and Remuneration Committee to examine the entire remuneration scheme in detail. In particular, the new multi-year variable remuneration model is an innovative system that affects a part of the remuneration and is aimed at achieving alignment with the long-term return obtained by the Shareholders, aligning to a great extent with the 2018-2022 Strategic Plan. This has led to a detailed analysis of the same with the support of specialised legal council.

The new long-term incentive requires adapting the Remuneration Policy as well as the contract of the Executive Chairman, subject to the conditions precedent that the new incentive scheme is approved at the first General Shareholders' Meeting after its approval by the Board, since it is designed as a payment in shares or reference to them.

- Relative importance of the variable remuneration items with respect to fixed remuneration items (remuneration mix) and what criteria and objectives are followed to determine the different components of the Directors' remuneration package and for guaranteeing an appropriate balance between the fixed and variable components of the remuneration. In particular, explain the actions adopted by the Company in relation to the remuneration system to reduce exposure to excessive risks and adapt it to the long-term objectives, values and interests of the Company, which will include, where appropriate, reference to measures designed to ensure that the Remuneration Policy considers the long-term results of the Company, measures adopted for those categories of personnel whose professional activities have a material effect on the Company's risk profile and measures adopted to avoid conflicts of interest, as the case may be.

Likewise, indicate if the Company has established a payment or consolidation period for determined variable remuneration items, in cash, shares or other financial instruments, any payment deferral periods or delivery of financial instruments whether paid or consolidated, or if a reduction clause has been agreed for the deferred remuneration or that forces the Director to return paid remuneration, when the same has subsequently proved to be clearly inaccurate.

The remuneration of the Executive Chairman, the only Director who receives a variable remuneration, is balanced on 3 key components with similar weight:

- A fixed component that is paid in all events, in a way that there is no exposure to risk.
- A variable component with a time horizon of one year, linked to specific, measurable business objectives that are recurrent and therefore avoid excessive risk-taking. This is reinforced by the fact the assessment of the same is performed once the Annual Accounts

have been audited and submitted.

- A variable component with a very long-term time horizon (ordinarily ending in July 2023 and therefore aligns to a great extent with the 2018-2022 Strategic Plan). Since this type of remuneration exceeds the norm (3years), it moderates excessive risk-taking and provides more long-term value creation than usual.

Between the variable components there is a reasonable balance not only in terms of time horizon but also amount and even objectives since the annual variable remuneration leans towards operational objectives that consider the immediate interests of the Company, whilst multi-year variable remuneration leans specifically towards the long-term interest of the Shareholders, an element that is frequently over looked or passed over to other remuneration schemes.

The annual variable retribution is only decided on and paid once the audited Annual Accounts of the Company are made available to the Board of Directors. Both the annual variable remuneration as well as the multi-year variable remuneration have a claw-back system for 18 months from payment of the same.

- Amount and nature of the fixed components that are due to be paid in the financial year to Directors in their capacity as such.

The remuneration of the Directors for the financial year for non-executive functions consists in a yearly fixed allocation.

The amount of the remuneration of the Directors for their capacity as such approved for 2019 remains at:

- Chairman of the Board of Directors: 1,100,000 €/year.
- Board Member: 175,000 €/year.
- Committee Chairman: 90,000 €/year.
- Committee Member: 60,000 €/year.
- Coordinating Director: 30,000 €/year.

- Amount and nature of the fixed components that are to be paid in the financial year for exercising Senior Management functions by the Executive Directors.

In the meeting of 29 March 2019, the Board set the fixed component of the remuneration of the Executive Chairman at €2,030,000 (total fixed monetary remuneration), including the remuneration that he receives for being a member of the governing body of NATURGY ENERGY GROUP, S.A. This amount is therefore the sum of €1,100,000 that he receives as Chairman of said Board of Directors for the exercising of non-executive functions and €930,000 that he receives as annual fixed base remuneration for exercising executive or delegated functions.

- Amount and nature of any remuneration component paid in cash in the financial year including, but not limited to insurance premiums paid in favour of the Director.

Explain cash remunerations
<p>The Executive Chairman is beneficiary of an insurance policy for temporary disability (100% of the gross annual fixed remuneration being received, for up to 18 months). He is also beneficiary of an insurance policy that covers death or total permanent disability or severe disability, in which NATURGY ENERGY GROUP S.A. acts as the Policyholder, taking the age of the Executive Chairman as a base to calculate the yearly insurance premium and the sum insured, being the insurance company who establishes and communicates the said premium. The sum insured in the event that the contingencies covered occur (death, permanent or severe disability) is equivalent to 3.5 years' total gross annual fixed remuneration.</p> <p>The Company takes out and pays a global premium for a joint civil liability insurance policy for all Board Members and Directors of NATURGY ENERGY GROUP, S.A. extending to both the Parent Company and the Group subsidiaries and affiliates and therefore also covers all the Directors of NATURGY ENERGY GROUP S.A. both executives and non-executives, in which the Directors are named as Insured Parties, to cover any liability they may incur when exercising their duties as Directors. In particular, the contract with the Executive Chairman stipulates the obligation that the Company has to take out a civil liability insurance.</p> <p>Since the civil liability insurance is contracted globally the part attributable to the Directors as remuneration in cash can not be calculated, however, in any event, its individual amount is not material.</p> <p>The remuneration package of the Executive Chairman also includes the following items, similar to the rest of the members of Senior Management: medical healthcare, life, temporary disability and Group savings-linked insurance policies, company car and capped gas and electricity usage discounts.</p>

- Amount and nature of the variable components, differentiating between those established at short and long term. Financial and non-financial parameters, including in the latter, social, environmental and climatic change parameters, selected to determine the variable remuneration in the current financial year, explication on the extent to which these parameters correlate with the performance of the Board Members as well as the entity itself and with its risk profile, and the methodology, time required and planned techniques for being able to determine, at the end of the financial year, the rate of attainment of the parameters used in the design of the variable remuneration.

Indicate the range in monetary terms of the different variable components depending on the rate of attainment of the objectives and parameters established, and if any maximum monetary amount exists in absolute terms.

Explain the variable components of the remuneration systems

Directors do not receive this type of remuneration for exercising non-executive functions.

For the Executive Chairman who exercised executive and delegated functions, the variable components of the remuneration system are the following:

- Annual variable remuneration

Is based on 100% of the total annual fixed monetary remuneration multiplied by the rate of attainment of objectives actually achieved. The maximum rate of attainment is set at 150%. This remuneration is not received if the rate of attainment does not reach 80%.

The Executive Chairman may decide to replace on a yearly basis the payment of all or part of the annual variable remuneration for a company contribution to a social welfare system that is agreed upon.

The objectives and weightings are the following:

- Organic growth CAPEX: weighted at 20%
- Operational efficiency (reduction of OPEX - not incl. capture costs).
- Free cash flow before CAPEX: weighted at 30%.
- Comparable consolidated net return: weighted at 15%.
- Qualitative assessment (safety and health, development capacity of the team, commitment, amongst other criteria): weighted at 10%.

- Multi-year variable remuneration: Long-Term Incentive (LTI) Plan.

Given that the LTI Plan runs from 2018 until June 2023 (ordinarily), its details for 2019 are the same as those described in section B7 for 2018.

- Main features of the long-term saving system. Amongst other information, explain the contingencies covered by the system, whether contribution or defined benefit, the contribution per year to be made to defined contribution systems, the benefit to which the beneficiaries have the right in the case of defined benefit systems, the terms and conditions of the vested economic rights in favour of the Directors and their compatibility with any type of compensation for resolution or early termination of the contractual relationship between the Company and the Director.

State if the payment or consolidation of any of the long-term saving plans are linked to the attainment of determined objectives or parameters related to the short or long-term performance of the Director.

Explain the long-term saving system

Directors do not receive this type of remuneration for exercising non-executive functions.

In regard to the executive or delegated functions that the Executive Chairman exercises, the same benefits that are currently available to the members of Senior Management of the Company are afforded to him under the following terms:

Group savings-linked insurance policy: the Executive Chairman is afforded the right to receive a series of contributions that are set forth in an insurance contract and are governed by the rules laid down for this purpose. NATURGY ENERGY GROUP S.A. makes yearly contributions to the foregoing instrument of an amount equal to 20% of their fixed monetary remuneration. Contingencies covered include the survival on the date specified, death or total, permanent or severe disability. The Group savings-linked insurance policy is not compatible with possible compensation in the event of termination. There is no right to receive any amount for any of the contingencies in the event of:

- Voluntary resignation without respecting the notice period set in the contract and without reaching prior agreement with the Board of Directors of the Company.
- Material breach deemed wilful or negligent of professional obligations insofar as the breach causes serious harm to the interests of the Company.
- At any time during the year following the termination of the provision of the services as Executive Chairman, for a different reason to that of contingency events, perform activities directly related to those of the Company.

- Any type of payment or compensation by resolution or early termination or derived from the termination of the contractual relationship, under the terms of the same between the Company and the Director, whether wilful by the Company or the Director, as well as any type of terms agreed, such as exclusivity, post-contractual non-compete and loyalty covenants, that give the Director rights to any type of payment.

Explain compensation system
Directors who do not exercise executive functions do not qualify for this type of compensation.

- Indicate the conditions that must be respected in contracts for individuals carrying out Senior Management duties as Executive Directors. Amongst others, specify the duration, limits on compensation amounts, tenure clauses, notice periods, and payment in lieu of the aforementioned notice period, and any other clauses on hiring bonuses, as well as on severance payments or golden parachutes for the early termination of the contractual relationship between the Company and the Executive Director. Include, among others, the non-compete, exclusivity, tenure or loyalty and post-contractual non-compete covenants or agreements (not including those described in the previous section).

Explain the terms and conditions of the Executive Director Contract

The contract of the Executive Chairman was approved in the meeting held by the Board of Directors on 6 February 2018, subject to favourable report by the Appointments and Remuneration Committee. Thereafter it was adapted on 31 October 2018 for the purpose of including the new Long-Term Incentive (LTI) Plan as well as other minor changes, albeit that everything related to the LTI is subject to conditions precedent of the approval at the next General Shareholders' Meeting.

The contracts of Executive Directors must contain a clause requiring advance notice of at least six months except for cases of force majeure as well as an exclusivity clause for as long as the Director remains with the Company and a non-disclosure undertaking, which will remain binding even after the contract has ended.

The contract of the Chairman establishes compensation for termination or non-renewal of his position as Director for two (2) years for the sum of: (i) total annual variable monetary remuneration, (ii) annual variable remuneration and (iii) in light of the multi-year variable remuneration, a lump sum equivalent to 1.25 of the the total annual fixed monetary remuneration. Only this concept is multiplied by a one year's remuneration if at the time of paying the same the minimum return objective of the LTI plan has not been reached; remuneration corresponding to the second year may be recovered if the minimum objective is attained at the end of the Plan.

No compensation is paid out if there is a material breach deemed wilful or negligent of professional obligations insofar as the breach causes serious harm to the interests of Naturgy. Furthermore, the contract may also include a post-contractual non-compete clause binding for one year following termination. If this clause is breached, the Director may be required to pay maximum compensation equivalent to one year's total remuneration.

The contract of the Executive Chairman provides for the termination of the contract and the payment of compensation in the event that the executive functions are rescinded and the same continues as non-Executive Chairman. In this case, the planned compensation is identical to that in the previous section, but reduced by half, that is, only one year's total pay.

If in the case that the capacity of Chairman is rescinded, but the same still holds office as CEO, a reduction of planned remuneration is provisioned for in the Contract.

- The estimated amount and nature of any supplementary remuneration paid to the Directors during the current financial year for services provided other than those inherent to their position.

Explain supplementary payments

Not applicable

- Other remuneration concepts such as for example those derived, as the case may be, from those granted by the Company to the Director in the form of advances, loans and guarantees or other remuneration(s).

Explain the advances, loans, guarantees and other remuneration(s)
The Members of the Board are not granted advances, loans or guarantees.

- The estimated amount and nature of any other additional remuneration planned not included in the preceding paragraphs, whether settled by the Company or another entity of the Group that is paid out to the Directors in the current financial year.

Not applicable

A.2 Explain any relevant change to the Remuneration Policy applicable in the current financial year as a result of:

- A new policy or modification to a Policy approved by the General Shareholders' meeting.
- Relevant changes to the specific determinations established by the Board for the current financial year of the Remuneration Policy in force with respect to those applied in the previous financial year.
- Proposals that the Board of Directors have agreed to submit to the General Shareholders' Meeting and that apply to this Annual Report and that are to be implemented during the current financial year.

Explain the process for determining the Remuneration Policy
<p>A Long-Term Incentive Plan, in shares or referencing them, is submitted for approval to the General Shareholders' Meeting implying a change to the Remuneration Policy in force, since it takes into account, in particular, the long-term profitability objective established in Art. 9 of the Company's Articles of Association and is related to the approval of the 2018-2022 Strategic Plan, that did not exist at the time the General Shareholders' Meeting was convened on the 27 June 2018.</p> <p>Likewise the maximum yearly remuneration amount for Directors is subject to the approval together with other minor adjustments.</p> <p>Both proposals, once approved, are applicable to the current financial year.</p>

A.3 Identify the direct link to the document in which the Company's remuneration policy in force is referenced and that must be available on the corporate website.

https://www.naturgy.com/files/Pol%C3%ADtica_de_remuneraciones_de_los_Co_nsejeros.pdf

- A.4 Explain, taking into account the data given in section B.4, the result of the General Shareholders' Meeting advisory vote on the Annual Report on the previous year's remuneration.

Certain Shareholders or Voting Advisers consider that a part of the remuneration should be linked to value creation for the Shareholders, measured in terms of stock price and dividend yield.

The Board of Directors have established value creation for Shareholders as the central concept of the 2018-2022 Strategic Plan. It is precisely for this reason that they have decided that a part of the variable remuneration (that relating to long-term) takes the value creation for the Shareholder indicator to design a new incentive model known as the Long-Term Incentive (LTI) plan as described in section B.7.

B GENERAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED FOR THE FINANCIAL YEAR ENDED

- B.1 Explain the process followed to apply the Remuneration Policy and used to determine the individual remuneration earned shown in section C of this report. This information is to include the role played by the Remuneration Committee, the decisions taken by the Board of Directors and, where appropriate, the identify and role of the External Consultants whose services were used in the process of implementing the Remuneration Policy in the financial year ended.

Explain the structure and remuneration items of the Remuneration Policy applied during the financial year

The remuneration scheme has evolved during 2018:

- On 6 February 2018, the Board of Directors agreed on a relevant change to the management and administration organisation of the Company, on approving the nomination of a new Executive Chairman and the departure from the Board of Directors, the CEO and Chairman up to that time.
- On 6 February the business relationship with the previous CEO also had to be settled.
- Within the scope of simplifying corporate governance, the General Shareholders' Meeting held on 27 June decided to reduce the size of the Board to 12 Members and rescind with the Executive Committee, which led to a redistribution and overall reduction of the remunerations of the Directors for exercising there non-executive functions.
- In view of that set forth in Art. 9 of the Company's Articles of Association and in the context of the adoption of the Strategic Plan approved by the Board of Directors on 27 June 2018, the Board, in its meeting of 31 July, it was agreed to replace the multi-year variable remuneration system in force to date with a long-term incentive for which, the approval of the General Shareholders' Meeting shall be required, subject to the conditions precedent that it be authorised by the General Shareholders' Meeting to be held on 5 March 2019.

Decisions have been adopted by the Board of Directors with the favourable report or the resolution proposal issued by the Appointments and Remuneration Committee, with the help of an External Legal Adviser for the implementation of the new long-term incentive and its submission to the General Shareholders' Meeting.

Since 2018 was a year of transition, for each case the remuneration during two periods is described; before or after 6 February. Likewise, a distinction will be made between the remuneration for the exercising of generic or non-executive functions and remuneration for executive or delegated functions.

- B.2 Explain the actions adopted by the Company in relation to the remuneration system to reduce exposure to excessive risks and adapt it to the long-term objectives, values and interests of the Company, which will include, where appropriate, reference to measures designed to ensure that the Remuneration Policy considers the long-term results of the Company and guaranteeing an appropriate balance between the fixed and variable components of the remuneration, what measures have been adopted for those categories of personnel whose professional activities have a material effect on the Company's risk profile and measures adopted to avoid conflicts of interest, as the case may be.

Explain the actions adopted to reduce risks

With respect to the remuneration for the exercising of non-executive functions, the establishing of a fixed remuneration for all the Directors is considered to be an efficient instrument for reducing exposure to excessive risks and the incorporation of a long-term perspective.

In regard to the exercising of executive or delegated functions given that the Board of Directors agreed to terminate the contract of the CEO on 6 February 2018, the settlement of his remuneration in 2018 up to said date took place under the terms that are specified in the next section. The measures adopted to reduce the taking of excessive risks were linked to specific business objectives set that are only assessed once audited and the Annual Accounts submitted or if there is a claw-back clause.

With respect to the remuneration of the Executive Chairman, as of 6 February, it should be noted that it is balanced on 3 key similar weighted components:

- A fixed component that is paid in all events, in a way that there is no exposure to risk.
- A variable component with a time horizon of one year, linked to specific, measurable business objectives that are recurrent and therefore avoid excessive risk-taking. This is reinforced by the fact the assessment of the same is performed once the Annual Accounts have been audited and submitted.

- A variable component with a very long-term time horizon (ordinarily ending in July 2023 and therefore aligns to a great extent with the 2018-2022 Strategic Plan). Since this type of remuneration exceeds the norm (3years), it moderates excessive risk-taking and provides more long-term value creation than usual.

Between the variable components there is a reasonable balance not only in time horizon terms but also amount and even objectives since the annual variable remuneration tends towards operational objectives that consider the immediate interest of the Company, whilst multi-year variable remuneration tends specifically towards the long-term interest of the Shareholders, an element that is frequently over looked or passed over to other remuneration schemes.

The annual variable retribution of the Chairman is only decided on and paid once the audited annual accounts of the Company are made available to the Board of Directors. Both the annual variable remuneration as well as the multi-year variable remuneration have a claw-back system for 18 months from its payment.

- B.3 Explain how the remuneration accrued in the financial year complies with that set forth in the Remuneration Policy in force. Likewise, report on the relationship between the remuneration obtained by the Directors and the Company's results or other performance-related measurements, explaining, where appropriate, how variations in the performance of the Company are able to impact variation in the remuneration of Directors, including those accrued whose payment has been deferred, and how the same contribute to the short and long-term results of the Company.

The total amount of remuneration accrued during 2018 does not exceed the maximum amount established in the Remuneration Policy approved by the General Shareholders' Meeting on 27 June 2018.

Given that the business relationship of the CEO and the Company was resolved before the annual variable remuneration for 2018 was settled, the Board of Directors in their meeting on 6 February, considered it more appropriate settle the amount for said item using as a base the 2017 amount and calculating the exercise period pro-rata between 1 January 2018 and 6 February 2018 (10.14%). Likewise, using the same logic, it was considered more appropriate settle the Medium-Term Retribution Plan (MTRP) for 2016-2018 and 2017-2019, applying the average rate of attainment of objectives of the last three programmes in proportion to the exercising period (80%).

The annual variable remuneration amount due to the Executive Chairman was determined once the audited Annual Accounts were available to the Board (the same being linked to the evolution of the key indicators of the Company as detailed in section B.7 and, therefore, in line with the current Remuneration Policy).

The multi-year incentive of the Executive Chairman shall be aligned with the adapted Remuneration Policy approved by the General Shareholders' Meeting given that it is subject to the conditions precedent that the General Shareholders' Meeting approves the said Remuneration Scheme.

- B.4 Report on the result of the General Shareholders' Meeting's advisory vote on the Annual Report on the previous financial year's remuneration, indicating where appropriate the number of votes against:

	Number	% of Total
Votes Cast	838,788,724	83.82

	Number	% Votes Cast
Votes Against	83,389,225	9.99
Votes in Favour	754,225,985	89.90
Abstentions	1,173,514	0.13

Observations

- B.5 Explain how the accrued fixed components were determined during the financial period for the Directors in their capacity as such, and how they have varied with respect to the previous year.

The remuneration of the Members of the Board for exercising non-executive functions during the first half of 2018 was:

- Chairman of the Board of Directors: 550,000 €/year.
- Chairman of the Executive Committee: 550,000 €/year.
- Board Member: 126,500 €/year.
- Member of the Executive Committee: 126,500 €/year.
- Member of the Audit Committee: 40,000 €/year.
- Member of the Appointments and Remuneration Committee: 25,000 €/year.
- Coordinating Director: 30,000 €/year.

During the second half of 2018, in accordance with that decided upon in the meeting of the Board on 21 May 2018 (but effective from the rearrangement of the Board, that is, on 27 June), the remuneration of the Members of the Board for their capacity as such, has been:

- Chairman of the Board of Directors: 1,100,000 €/year.
- Board Member: 175,000 €/year.
- Committee Chairman: 90,000 €/year.
- Committee Member: 60,000 €/year.
- Coordinating Director: 30,000 €/year.

The sum of these remunerations went down to 4,412,178 euros in 2018 as opposed to 4,667,500 euros in 2017.

- B.6 Explain how the salaries earned were determined during the financial period ended for each Executive Director for exercising their management functions, and how they have varied with respect to the previous year.

Up until 6 February 2018, the remuneration of the CEO for exercising executive functions was similar to the remuneration of Management personnel in Naturgy Group and took into account the following items, amongst others:

- Base Remuneration: an annual payment determined by the Board of Directors subject to favourable report by the Appointments and Remuneration Committee plus the fixed remuneration received for being a Member of the Board and its Committees. The sum of both items constitutes the fixed monetary remuneration. The Board of Directors on 7 March 2017 agreed, on the proposal of the Appointments and Remuneration Committee, to set the fixed remuneration for exercising functions different to supervisory and decision-making duties at 1,284,988 euros. Said amount did not change in 2018.

- Variable Remuneration: represented an important part of the total remuneration and was linked to the attainment of pre-set, concise and quantifiable objectives, both short-term (yearly) aimed at being within Budget, as well as long-term (multi-year), based on the attainment of objectives aligned with a group of key indicators consistent with the current Strategic Plan of the Company.

In addition to the foregoing, the Board of Directors could establish other variable remuneration in the event of special transactions, for objectives linked to their attainment as well as for remuneration derived from the achievements obtained.

Section B.7 details the way in which said variable remunerations were settled on 6 February when the term of office was terminated.

- The remuneration package of the CEO was complimented with a Social Welfare System, under similar terms and conditions to those established for benefits additional to Social Security cover for Directors of the Company, albeit that these additional benefits are channelled through different instruments that cater for the commercial nature of the relationship between the CEO with the Company (Group savings-linked insurance policy, Pension Plan and Life Insurance).

- Social Welfare Benefits: furthermore, their remuneration package was complimented with a Medical Healthcare Insurance and capped gas and electricity usage discounts.

As of 6 February: The remuneration for the Executive Chairman exercising executive or delegated functions was established when the Contract was agreed and includes the following items:

- Annual fixed base remuneration, including remuneration received for being Member of any governing body of any company of the Naturgy group, except its parent company, that amounted to €808,928.57.
- The annual variable remuneration was based on an amount equivalent to the total fixed annual monetary remuneration to which a percentage based on the attainment metric was applied, that amounted to €2,096,586.
- The long-term incentive plan was not paid, since it is due ordinarily in July 2023 and is linked to the return obtained by the Shareholders in said period and aligns to a great extent with the 2018-2022 Strategic Plan. Furthermore, it is subject to approval by the General Shareholders' Meeting.

Other benefits and pension entitlements equivalent to those generally afforded to members of Senior Management of the Company (private medical healthcare insurance, company car, life and disability insurance, limited discounts on capped gas and electricity usage discounts, savings system) as well as the obligation to take out and at the Company's expense, a civil liability insurance.

B.7 Explain the nature and main characteristics of the variable components of the remuneration systems paid in the financial year ended. In particular:

- Identify each of the remuneration plans of which the Directors are beneficiaries during the financial year ended, including information on their scope, date of approval, date of implementation, validity period, criteria used to assess performance and how it has impacted the fixing of the variable amount paid, as well as the measurement criteria used and the period necessary for being in a position to appropriately measure all the conditions and criteria stipulated.

For plans involving share options and other financial instruments, the general features of the plan should include information on the conditions for each plan regarding acquiring unconditional ownership (consolidation) as well as exercising said options or financial instruments, including price and exercising period.

- Each of the Directors, and their category (CEO, external proprietary directors, external independent directors or other external directors), who are beneficiaries of remuneration systems or plans included in the variable remuneration.
- Where appropriate, provide information on any payment deferral periods established and/or retention periods for shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration system

Given that the business relationship of the CEO and the Company was resolved before the annual variable remuneration for 2018 was settled, the Board of Directors in their meeting on 6 February, considered it more

appropriate settle the amount for said item using as a base the 2017 amount and applying pro-rata the exercising period between 1 January 2018 and 6 February 2018 (10.14%), amounting to €114,609.

When calculating the annual variable remuneration of the Executive Chairman corresponding to financial year 2018 due to be paid in the first quarter of 2019, the indicators and weightings fixed by the Board of Directors were taken into account once the Strategic Plan was approved and subject to favourable report from the Appointments and Remuneration Committee. To be precise, in 2018 the following parameters to determine the rate of attainment of the objectives have been considered:

Free Cash Flow

- Comparable EBITDA - CAPAX weighted at 25%
- Rate of attainment: 122%

Efficiency

- Reduction of the OPEX (not incl. capture costs)
- Weighted at 25%
- Rate of attainment: 120%

Return on assets

- Recurring EBITDA/Net Asset Total (average over the year)
- Weighted at 25%
- Rate of attainment: 100%

Net Return

- Comparable Consolidated
- Weighted at 15%
- Rate of attainment: 82%

Qualitative assessment, determined by the Board of Directors

- Qualitative assessment
- Weighted at 10%
- Rate of attainment: 118%

The calculation takes 100% of the total fixed monetary remuneration as the base multiplied by the rate of attainment of objectives actually achieved in the year. The maximum rate of attainment is set at 150%. This remuneration is not received if the rate of attainment does not reach 80%.

The amount of the annual variable remuneration for financial year 2018 due to be paid in the first quarter of 2019 is €2,096,586 having reached a total rate of attainment of 116.30%.

Explain the long-term variable components of the remuneration system

Given that the business relationship of the CEO and the Company was resolved before the current multi-year variable remuneration plans was

settled, the Board of Directors in their meeting on 6 February, considered it more appropriate settle the pending schemes, namely, the Medium-Term Retribution Plan (MTRP) for 2016-2018 and 2017-2019, applying the average rate of attainment of objectives of the last three programmes pro-rata to the exercising period (80%). Said schemes have the same characteristics as those in the previous financial year. The settlement amounted to €589,150 for MTRP 2016/2018 and €308,665 for MTRP 2017-2019.

The multi-year remuneration of the Executive Chairman was provided for in his contract on 6 February 2018, albeit that its determination was not possible until the Strategic Plan was approved. Once approved in June 2018, the Board, in their meeting of 31 July, approved a Long-Term Incentive Plan in which the Executive Chairman and 25 Directors participate. The term of the new long-term incentive means that the Remuneration Policy and the contract of the Executive Chairman need to be adapted, subject to the conditions precedent that the new incentive scheme be approved by the first General Shareholders' Meeting.

This incentive covers the period of the 2018-2022 Strategic Plan, ordinarily concluding on July 2023 and is directly linked to the total return obtained by a Shareholder of NATURGY ENERGY GROUP S.A.

The same shall be instrumented by means of the acquisition of a block of shares in NATURGY, through a company whose holdings are 100% owned by the Company. Said Company shall make the most efficient decisions to ensure the maximum return on investment, acting in the same way as a diligent investor at all times. The foregoing has been provisioned with the financial means (200 million euros) through contributions from the equity capital of NATURGY (100 million euros) and external bank financing (100 million euros), with which 8,639,595 shares at an average price of €23.15 euros per share have been acquired.

On completion of the Plan, the Company will obtain a financial result from the payment of dividends attributed to its shares, the revaluation of the price of the same and sundry revenue and expenditure, mainly financial. At this moment in time, it shall sell those shares necessary to return all the resources received for the acquisition of the shares, and after having paid all obligations to third-parties and with NATURGY itself, it shall proceed to distribute to its stakeholders, the remainder in shares, if any. The economic value of said stake, constitutes, therefore, the total long-term remuneration to be distributed amongst the stakeholders.

On the centre stage, the Executive Chairman shall receive an amount in line with that set forth in the Annual Report on the Remuneration of Directors of Listed Companies (ARRD) for the previous year, that is, 125% of the total yearly fixed remuneration, multiplied by the number of years of the term of the LTI Plan. Said centre stage considers the distribution of all dividends envisaged in the 2018-2022 Strategic Plan. Furthermore, to assure this scenario the stock market price in July 2023 has to be above the acquisition price of €23.15.

Stakeholders shall only receive as multi-year variable incentive the remaining amount that is generated, in shares, and only if the minimum threshold has been exceeded, the pre-set return on the same implying a stock market price of €19.15 on maturity of the LTI Plan and assuming that all the dividends planned in the 2018-2022 Strategic Plan are distributed. This is in line with the return requirements associated to the financial discipline and content of the Strategic Plan and is higher than the stock market price on the day the Executive Chairman was appointed (6 February 2018, €17.69). Therefore, even though the company holding the shares has a positive result, if said threshold is not reached, the LTI amount would be zero.

The LTI Plan includes a claw-back clause for 18 months effective from the start of the incentive in case of a relevant modification to the Annual Accounts having a significant impact on the revaluation of the shares.

In the event that the Executive Chairman leaves the Company before the completion of the Plan, the same loses all rights in cases of voluntary resignation of his functions or in the event of any serious material breach and shall maintain them in the event of retirement, disability or death, not attributable to the same, whereas in the event of maintaining them the same shall only have the right to incentive that is, in the end, the proportional part of the tenure period with respect to the term of the Plan.

- B.8 Explain if there has been a need to reduce or to claim a refund of results-based variable components when, first, the payment has been consolidated and deferred or, second, have been consolidated and paid according to data which has subsequently proved to be clearly inaccurate. Describe the reduced or refunded amounts for applying the reduction and refund clauses (claw-back), when they were exercised and the financial years to which they correspond.

Not applicable

- B.9 Explain the main features of the long-term savings systems whose amount or equivalent annual cost figure in the tables in Section C, including retirement and any other survivor benefits, partially or wholly funded by the Company, whether provided internally or externally, indicating the type of plan, whether defined benefit or contribution, the contingencies covered, the conditions of the vested economic rights of the Directors and their compatibility with any type of compensation for early termination of the contractual relationship between the Company and the Director.

Directors do not receive this type of remuneration for exercising non-executive functions.

Up to 6 February 2018, the CEO had the capacity as Executive Director and was afforded the same terms and conditions with respect to benefits

additional to Social Security cover for Directors of the Company, albeit that these additional benefits are channelled through instruments that cater for the business nature of the relationship between the CEO and the Company.

The instruments through which the social benefits systems of the CEO are implemented were the following, all being under the same terms and conditions afforded to them in the previous financial year:

- Group savings-linked insurance policy, the CEO has the right to receive a series of saving contributions for retirement. These contributions are governed by the regulations contained in the Regulation of the Plan established for this purpose. NATURGY ENERGY GROUP S.A. makes yearly contributions to the foregoing instrument of an amount equal to 20% of the fixed monetary remuneration of the CEO. The contingencies covered by the Plan were Retirement, Death before retirement and Permanent Disability before retirement. No compensation is paid out if there is a material breach deemed wilful or negligent of professional obligations insofar as the breach causes serious harm to the interests of Naturgy.

The Group savings-linked insurance policy was one of the benefits contained in the contract of the CEO from underwriting the same in 2005, albeit that in 2008 it was modified for all management personnel when passed from being a so-called internal-tenure in office Fund to an externally-defined contribution Insurance Policy, even though the amount of the contributions have always been 20% of the total fixed remuneration.

In regard to the compatibility of the Group savings-linked insurance policy with compensation, its incompatibility is not expressly provided for and therefore it is understood that they are not incompatible.

- Pension Plan: under the same terms and conditions as the additional social benefits afforded to the Directors of the Company. Accordingly, the CEO is afforded annual contributions to Pension Plan(s) for the amount of €10,000, the same being given, every year, to the CEO to make the contributions to the Pension Plan(s) he deems appropriate.

The vested rights corresponding to the Pension Plans were irrevocable and therefore the rights were the same under any circumstance.

- Furthermore, the CEO is beneficiary of an insurance policy for covering contingencies leading to death or total permanent disability or severe disability, in which NATURGY ENERGY GROUP S.A. acts as the Policyholder, that takes the age of the Executive Chairman as a base to calculate the yearly insurance premium and the capital insured, being the insurance company who establishes and communicates the said premium. The sum

insured in the event that the contingencies covered occur (death, permanent or severe disability) is equivalent to two (2) years' base remuneration.

From 6 February 2018, the Executive Chairman shall be afforded the benefits that are available to Directors of the Company. Such benefits are explained in Section A.1 (long-term savings system)

- B.10 Explain, as the case may be, the compensation or any other type of payment as a result of early termination, whether voluntary by the Company or the Director, or due to the contract coming to an end, under the terms set forth in the same, accrued and/or received by the Directors during the financial year ended.

The contract of the CEO established compensation for the amount of three (3) years' of the total remuneration on the date the contract was modified for determined severance or termination of the contractual relationship; on a decision made by the Company, except severe and non-compliance of any material breach deemed wilful or negligent of the professional obligations of Executive Directors, insofar as the breach causes serious harm to the interests of the Company. Furthermore, the contract may also include a post-contractual non-compete clause binding for one year following termination. If this clause is breached, the Director may be required to pay maximum compensation equivalent to one year's total pay.

On 6 February 2018, the Board of Directors agreed to terminate the contract, pay the compensation provided for under contract being three (3) years' total remuneration amounting to €10,685,763 and compensation for the non-compete covenant for one (1) year's total remuneration, amounting to €3,561,921, as well as settling the amounts pending of various remuneration items accrued in 2018 (current annual fixed and variable and MTRP).

- B.11 Explain if there have been any significant modifications to the Contracts of those who exercise Senior Management functions such as Executive Directors, and as the case may be, explain the same. Likewise, explain the main terms and conditions of the new contracts signed with Executive Directors during the financial year, except if already explained in Section A.1.

The multi-year remuneration of the Executive Chairman was provided for in his contract on 6 February 2018, albeit that its determination was not possible until the Strategic Plan was approved. Once said plan was approved, the Board approved a Long-Term Incentive Plan in which the Executive Chairman and 25 Directors participate. The new long-term incentive term requires adapting the Remuneration Policy as well as the Executive Chairman's contract, that is subject to the conditions precedent that the new incentive scheme is approved by the first General Shareholders' Meeting.

Furthermore, the contract of the Executive Chairman has been modified to detail the social benefits plan already provisioned for in the Contract and how the compensation linked to the long-term remuneration is calculated.

- B.12 Explain any supplementary remuneration paid to Directors as compensation for services provided other than those inherent to their position

Not applicable

- B.13 Indicate any compensation in the form of advances, loans and guarantees, indicating the interest rate, key features and any amounts repaid, as well as the obligations assumed on their behalf as security

Not applicable

- B.14 Detail the remuneration in cash paid to Directors during the financial year, briefly explaining the nature of the different salary components.

CEO up to 6 February 2018:

Contributions to benefits instruments increased to 32 thousand euros in financial year 2018. The premiums paid for life insurances increased to 2 thousand euros during the said financial year. The amount of the capped gas and electricity discounts and the medical healthcare insurance premium increased to 2 thousand euros during said financial year.

Executive Chairman from 6 February 2018:

Contributions to benefits instruments increased to 360 thousand euros in financial year 2018. The premiums paid for life insurances increased to 131 thousand during the said financial year. The amount of the capped gas and electricity discounts and the medical healthcare insurance premium increased to 11 thousand euros during said financial year.

- B.15 Explain the remuneration earned by the Director in virtue of the payments made by the listed company to a third party in which the Director provides services, when said payments are made to remunerate the Director's services in the Company.

Explain the remuneration earned by the Director in virtue of the payments made by the listed company to a third party in which the Director provides services, when said payments are made to remunerate the Director's services in the Company.

Not applicable

B.16 Explain any remuneration item different from those above, regardless of its nature or which the group company made said payment, especially if it is considered a related transaction or its issue distorts the fair view of the total compensation earned by the Director.

Explain the other remuneration items
Not applicable

C BREAKDOWN OF INDIVIDUAL COMPENSATION EARNED BY EACH OF THE DIRECTORS

Name	Category	Accrual Period
RAFAEL VILLASECA MARCO	CEO/Executive	From 01/01/2018 to 06/02/2018
RAMÓN ADELL RAMÓN/	Independent	From 01/01/2018 to 31/12/2018
ENRIQUE ALCÁNTARA-GARCÍA IRAZOQUI	Proprietary	From 01/01/2018 to 31/12/2018
MR XABIER AÑOVEROS TRIAS DE BES	Independent	From 01/01/2018 to 27/06/2018
FRANCISCO BELIL CREIXELL	Independent	From 01/01/2018 to 31/12/2018
ISIDRO FAINÉ CASAS	Proprietary	From 01/01/2018 to 06/02/2018
BENITA FERRERO-WALDNER	Independent	From 01/01/2018 to 27/06/2018
CRISTINA GARMENDIA MENDIZÁBAL	Independent	From 01/01/2018 to 27/06/2018
MIGUEL MARTINEZ SAN MARTIN	Proprietary	From 01/01/2018 to 22/02/2018
LUIS SUÁREZ DE LEZO MANTILLA	Proprietary	From 01/01/2018 to 17/05/2018
HELENA HERRERO STARKIE	Independent	From 01/01/2018 to 31/12/2018
JOSU JON IMAZ SAN MIGUEL	Proprietary	From 01/01/2018 to 22/02/2018
MARCELINO ARMENTER VIDAL	Proprietary	From 01/01/2018 to 31/12/2018
ALEJANDRO GARCIA-BRAGADO DALMAU	Proprietary	From 01/01/2018 to 21/05/2018
WILLIAM ALAN WOODBURN	Proprietary	From 01/01/2018 to 31/12/2018
RAJARAM RAO	Proprietary	From 01/01/2018 to 31/12/2018
MARIO ARMERO MONTES	Proprietary	From 01/01/2018 to 27/06/2017

INIGO ALONSO DE NORIEGA SATRÚSTEGUI	Proprietary	From 22/02/2018 to 17/05/2018
GUILLERMO LLOPIS GARCIA	Proprietary	From 22/01/2018 to 17/05/2018
Rioja Bidco Shareholdings, S.L.U, JAVIER DE JAIME GUIJARRO	Proprietary	From 17/05/2018 to 31/12/2018
Theatre Directorship Services Beta, S.à.r.l, JOSE ANTONIO TORRE DE SILVA LOPEZ DE LETONA	Proprietary	From 17/05/2018 to 31/12/2018
Theatre Directorship Services Delta, S.à.r.l, JUAN ARBIDE ESTENSORO	Proprietary	From 17/05/2018 to 27/06/2018
CLAUDIO SANTIAGO PONSA	Independent	From 27/06/2018 to 31/12/2018
PEDRO SAINZ DE BARANDA RIVA	Independent	From 27/06/2018 to 31/12/2018
FRANCISCO REYNES MASSANET	Executive Chairman	From 06/02/2018 to 31/12/2018

C.1 Complete the following tables on the individual remuneration of each of the Directors (including remuneration for carrying out Executive duties) paid during the financial year.

a) Remunerations of the Company covered in this report:

i) Payment in cash (in thousands of €)

Name/Category/ Accrual Period Q	Salary	Fixed Remunerati on	Allowa nce	Short-term Variable Remunerati on	Long-term Variable Remuneration	Remuneration for Membership on Committees of the Board	Compensation	Other Items	Financial Year Total	Financial Year Total Q-1
RAFAEL VILLASECA MARCO/CEO/Executive	130	14		115	898	14	14,248	4	15,423	3,443
RAMÓN ADELL RAMÓN/Independent		185				169			354	294
ENRIQUE ALCÁNTARA-GARCÍA IRAZOQUI Proprietary		157				52			209	167
XABIER AÑOVEROS TRIAS DE BES/Independent		69				22			91	167
FRANCISCO BELIL CREIXELL/Independent		157				163			320	279
ISIDRO FAINÉ CASAS/Proprietary		61				61			122	1,100

BENITA FERRERO-WALDNER/Economist		69				69			138	254
CRISTINA GARMENDIA MENDIZÁBAL/Independent		69				27			96	192
MIGUEL MARTINEZ SAN MARTIN/Proprietary		23				28			51	279
LUIS SUÁREZ DE LEZO MANTILLA/Proprietary		53				39			92	167
RAMÓN ADELL RAMÓN/Independent		157				52			209	167
JOSU JON IMAZ SAN MIGUEL/Proprietary		23				23			46	254
MARCELINO ARMENTER VIDAL/Proprietary		157				99			256	254
ALEJANDRO GARCIA-BRAGADO DALMAU/Proprietary		54				39			93	152
WILLIAM ALAN WOODBURN/Proprietary		157				113			270	279
RAJARAM RAO/Proprietary		157				121			278	294
MARIO ARMERO MONTES/Proprietary		69							69	127
IÑIGO ALONSO DE NORIEGA SATRÚSTEGUI/Proprietary		28				5			33	-
GUILLERMO LLOPIS GARCIA/Proprietary		28				16			44	-
Rioja Bidco Shareholdings, S.L.U, JAVIER DE JAIME GUIJARRO/Proprietary		104				49			153	-
Theatre Directorship Services Beta, S.à.r.l, JOSE ANTONIO TORRE DE SILVA LOPEZ DE LETONA/Proprietary		104				51			155	-
Theatre Directorship Services Delta, S.à.r.l Theatre Directorship Services Beta, S.à.r.l, JUAN ARBIDE ESTENSORO / Proprietary		16							16	-
CLAUDI SANTIAGO PONSÁ/		88				30			118	-

Independent											
PEDRO SAINZ DE BARANDA RIVA/ Independent		88				60			148	-	
FRANCISCO REYNES MASSANET/ Executive	809	789			2,097			239	11	3,945	-

ii) Table on share-based and gross return on shares or consolidated financial instrument remuneration systems

Name	Plan Name	Financial instruments at the beginning of financial year Q		Financial instruments allocated during financial year Q		Financial instruments consolidated during financial year				Financial instruments due but not exercised	Financial instruments at the end of financial year Q	
		Nº instruments	Nº equivalent shares	Nº instruments	Nº equivalent shares	Nº instruments	Nº equivalent/consolidated shares	Price of consolidated shares	Gross return on shares or consolidated financial instruments (in thousands €)	Nº instruments	Nº instruments	Nº equivalent shares
Director 1:	Plan 1											
	Plan 2											

Observations

iii) Long-term Saving Systems

	Remuneration for vested rights to Savings System (*)
Rafael Villaseca Marco	32
Francisco Reynés Massanet	360

(*)The contribution is replicated in the q year for social welfare instruments.

Name	Funds paid in by the Company in financial year (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings system with vested economic rights		Savings system with no vested economic rights		Financial year Q		Financial year Q-1	
	Financial year Q	Financial year Q-1	Financial year Q	Financial year Q-1	Savings system with vested economic rights	Savings system with no vested economic rights	Savings system with vested economic rights	Savings system with no vested economic rights

Rafael Villaseca Marco	32	308	--	--	417	3263	417	3231
Francisco Reynés Massanet		--	360		--	360	--	--

Observations

iv) Detail of other items

Name	Item	Remuneration Amount
Director 1:		

Observations

b) Remuneration to Directors of the Company for being Members of the Board of other companies in the Group:

i) Payment in cash (in thousands of €)

Name	Fixed Remuneration	Allowance	Remuneration for Membership on Committees of the Board	Salary	Short-term Variable Remuneration	Long-term Variable Remuneration	Compensation	Other Items	Financial Year Total Q	Financial Year Total Q-1
Director 1:	0	0	0	0	0	0	0	0	0	0
Director 2:										

Observations

ii) Table on share-based and gross return on shares or consolidated financial instrument remuneration systems

Name	Plan Name	Financial instruments at the beginning of financial year Q		Financial instruments allocated during financial year Q		Financial instruments consolidated during financial year Q				Financial instruments due but not exercised	Financial instruments at the end of financial year Q	
		Nº instruments	Nº equivalent shares	Nº instruments	Nº equivalent shares	Nº instruments	Nº equivalent/consolidated shares	Price of consolidated shares	Gross return on shares or consolidated financial instruments (in thousands €)	Nº instruments	Nº instruments	Nº equivalent shares
Director 1:	Plan 1											
	Plan 2											

Observations

iii) Long-term Saving Systems

	Remuneration for vested rights to Savings System
Director 1:	

Name	Funds paid in by the Company in financial year (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings system with vested economic rights		Savings system with no vested economic rights		Financial year Q		Financial year Q-1	
	Financial year Q	Financial year Q-1	Financial year Q	Financial year Q-1	Savings system with vested economic rights	Savings system with no vested economic rights	Savings system with vested economic rights	Savings system with no vested economic rights
	Director 1:							

Observations

iv) Detail of other items

Name	Item	Remuneration Amount
Director 1:		

Observations

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

The amounts corresponding to all the remuneration items included in this report that have been earned by the Director must be included in the summary, in thousands of euros.

Name	Remuneration earned in the Company					Remuneration earned in companies of the Group				
	Total Remuneration in Cash	Gross return on shares or consolidated financial instruments	Remuneration from savings system	Remuneration from other items	Financial Year Total Q company	Total Remuneration in Cash	Gross return on shares or consolidated financial instruments	Remuneration from savings system	Remuneration from other items	Financial Year Total Q group
RAFAEL VILLASECA MARCO/CEO/Executive	15,419		32	4	15,455					
RAMÓN	354				354					

ADELL RAMÓN/In dependent										
ENRIQUE ALCÁNTAR A-GARCÍA IRAZOQUI Proprietary	209				209					
XABIER AÑOVIROS TRIAS DE BES/Indepe ndent	91				91					
FRANCISCO BELIL CREIXELL/ Independen t	320				320					
ISIDRO FAINÉ CASAS/Pro prietary	122				122					
BENITA FERRERO- WALDNER/ Economist	138				138					
CRISTINA GARMENDI A MENDIZÁB AL/Indepen dent	96				96					
MIGUEL MARTINEZ SAN MARTIN/Pr oprietary	51				51					
LUIS SUÁREZ DE LEZO MANTILLA/ Proprietary	92				92					
RAMÓN ADELL RAMÓN/ Independen t	209				209					
JOSU JON IMAZ SAN MIGUEL/ Proprietary	46				46					
MARCELIN O ARMENTER VIDAL/ Proprietary	256				256					
ALEJANDRO GARCIA- BRAGADO DALMAU/ Proprietary	93				93					
WILLIAM ALAN WOODBUR N/ Proprietary	270				270					
RAJARAM RAO/ Proprietary	278				278					
MARIO ARMERO MONTES/ Proprietary	69				69					
IÑIGO ALONSO DE	33				33					

NORIEGA SATRÚSTEGUI/ Proprietary										
GUILLERMO LLOPIS GARCIA/ Proprietary	44				44					
Rioja Bidco Shareholdings, S.L.U, JAVIER DE JAIME GUIJARRO/ Proprietary	153				153					
Theatre Directorship Services Beta, S.à.r.l, JOSE ANTONIO TORRE DE SILVA LOPEZ DE LETONA/ Proprietary	155				155					
Theatre Directorship Services Delta, S.à.r.l Theatre Directorship Services Beta, S.à.r.l, JUAN ARBIDE ESTENSORO / Proprietary	16				16					
CLAUDI SANTIAGO PONSÁ/ Independent	118				118					
PEDRO SAINZ DE BARANDA RIVA/ Independent	148				148					
FRANCISCO REYNES MASSANET / Executive	3,934		360	11	4,305					
TOTAL	22,714		392	15	23,121					

Observations

D OTHER INFORMATION OF INTEREST

If there is any other relevant information on Director compensation that has not been included in the rest of the sections of this report, but which should be included in order to gather more complete and reasoned information on the structure and compensation practices of the Company with regard to its Directors, please briefly describe such information below.

It should be noted that since numbers with two decimal places are not allowed on the form of the Annual Report Circular on Directors' Remunerations, there are some minor variations in the figures indicated when compared with the actual figures.

This Annual Remuneration Report was approved by the Board of Directors of the Company at a meeting on 29 January 2019.

Please indicate whether any Directors have voted against or abstained from the approval of this report.

Yes

No

Name and Company Name of the Members of the Board that have voted against approving this report.	Reasons (against, abstention, non-attendance)	Explain the reasons