

**ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS  
OF INMOBILIARIA COLONIAL, SOCIMI, S.A.**

ISSUER IDENTIFICATION DATA

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Company Name: INMOBILIARIA COLONIAL, SOCIMI, S.A.

Registered Office: PASEO DE LA CASTELLANA 52, 28046, MADRID

## INTRODUCTION

The information contained in this report on the remuneration of Directors (the “**Report**”) covers the period from 1 January to 31 December 2020 (2020 financial year) and provides information on the remuneration policy for the Directors of Inmobiliaria Colonial SOCIMI, S.A. applicable in the 2021 financial year. In this regard, the Board of Directors is expected to submit the new Directors' remuneration policy for 2021, 2022 and 2023 to the General Meeting of Shareholders for approval, which will be published at the time of the call of the General Meeting of Shareholders.

This report has been prepared in a freely-designed format, in accordance with the regulatory authorisation contained in the aforementioned Circular 4/2013, although its content observes the minimum standards established in the applicable regulations and is accompanied by the standard statistical annex.

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

### A.1. Remuneration Policy for Directors applicable to the current financial year.

The Ordinary General Meeting of Shareholders of Inmobiliaria Colonial, SOCIMI, S.A. (the “**Company**” or “**Colonial**”) held on 14 June 2019 approved a remuneration policy for 2020, 2021 and 2022. Nevertheless, the Company’s Board of Directors, following the proposal made by the Appointments and Remuneration Committee, intends to put to vote at the next Ordinary General Meeting a new Director’s remuneration policy for 2021, 2022 and 2023 (the “**New Remuneration Policy**”). If approved, the current remuneration policy would no longer be valid.

The New Remuneration Policy will maintain the principles of the current policy but will add a few changes in order to better match the Company’s strategic priorities, the investors’ opinion and the market practices.

One of the fundamental principles kept in the New Remuneration Policy is the alignment with stakeholders, especially the Company’s Shareholders. Furthermore, the Board of Directors and the Appointments and Remuneration Committee have taken into account the provisions on Directors’ remuneration set forth in the Code of Good Governance for Listed Companies published by the Spanish Securities Market Commission.

Also, based on market data and internal forecasts, the Board of Directors, following the Appointments and Remuneration Committee’s proposal, has assessed the suitability and relevance of the remuneration items and the changes proposed to guarantee that its implementation meets its purpose. In particular, the Appointments and Remuneration Committee has considered the impact of the COVID-19 pandemic on Colonial’s business and has confirmed that the New Remuneration Policy will keep in line with the corporate interests for the next period.

In order to establish the specific amounts and parameters of the New Remuneration Policy that will be applicable in 2021, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, shall consider the following as basic principles that will guide remuneration decisions at all levels of the Company:

- *Pay-for-performance*: Ensure that the remuneration received by executive Directors is commensurate with both the overall results of the Company and Directors’ individual performance.
- *Alignment with stakeholder interests*: Align the interests of the executive Directors with those of the Company’s shareholders by tying a significant portion of the total remuneration to Colonial’s financial and operating results and to the creation of long-term value for shareholders. Variable remuneration will also depend on the attainment of environmental, social or governance (ESG) objectives linked to the sustainability strategy.
- *Competitiveness*: The long-term success of the Company will depend on the talent of its employees. Colonial’s remuneration philosophy will focus, among other aspects, on attracting, appropriately motivating, and retaining the best talent.
- *Transparency*: Transparency with Colonial’s shareholders in relation to the New Remuneration Policy, communicating the main conditions of the remuneration plans, and, as appropriate, any actions taken in response to significant events.

**WHAT DOES THE NEW POLICY INCLUDE?**

- Remuneration at risk: most of the executive Directors' remuneration will be variable.
- Instrument-based long-term incentive conditioned to the performance of targets in a several-year period.
- Permanent ownership of shares: executive Directors are expected to keep a number of shares equal to twice their fixed remuneration.
- Risk proportionality and management.
- Solid processes to involve shareholders in remuneration and governance matters.
- *Malus* and *clawback* clauses.

**WHAT DOES THE NEW POLICY NOT INCLUDE?**

- There will not be any contracts with guaranteed pay rises or variable remuneration that is not linked to business performance.
- No hedging, pledging, short sales or derivative contracts will be allowed on the value of the allocated shares during the required holding period.
- Non-executive Directors will not take part in remuneration formulae or systems linked to the Company's or the employee's performance.
- Benefits granted will not exceed the market practices.

### A.1.1. Company procedures and bodies involved in determining and approving the remuneration policy and its terms and conditions.

The Company's procedures and the competent bodies for determining and approving the New Remuneration Policy and its terms and conditions are described below.

	Appointments and Remuneration Committee	Board of Directors	GENERAL MEETING OF SHAREHOLDERS
	It proposes the policy to the Board. It consults with the Chairman and Chief Executive Officer regarding the remuneration of executive directors and senior management.	It approves the policy and submits it to the Board for a vote.	It approves the policy at least every three years. It approves any modification or replacement of the policy.
<b>Determination of the policy and its remuneration items</b>	It proposes to the Board the maximum amount to be paid to Directors in their capacity as such and the remuneration of each Director.	It proposes to the General Meeting the maximum amount to be paid to Directors in their capacity as such. It determines the remuneration of each Director.	It approves the maximum amount of annual remuneration for all directors in their capacity as such.
	It proposes the Directors' remuneration for the performance of executive functions and the terms and conditions of their contracts.	It sets Directors' remuneration for the performance of executive functions and the terms and conditions of their contracts.	It approves the remuneration systems of Directors.
<b>Application of the policy</b>	It proposes the amount of fixed annual remuneration for executive directors and the annual variation thereto. It proposes the parameters for setting the variable components and evaluates them for payment purposes. It proposes, as necessary, the cancellation of the payment or the refund of variable components.	It evaluates and, where appropriate, approves the proposals of the Appointments and Remuneration Committee on implementation of the policy.	
<b>Revision of policy</b>	It checks compliance with the policy and regularly reviews its implementation. It ensures that individual remuneration is proportionate.		

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Transparency of policy

It ensures the transparency of remunerations and the inclusion in the annual report of information regarding the remuneration of Directors.

It submits the Annual Report on Directors' Remuneration to the Board of Directors for approval and verifies the information on Directors' remuneration contained in corporate documents.

It prepares the specific report that underlies the Remuneration Policy.

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### **A.1.2. Consideration of comparable companies for the purposes of establishing the Company's remuneration policy.**

The New Remuneration Policy design will take into account the conclusions of comparative analyses of the policy in force in 2020 with industry practices and comparable companies, as well as with corporate governance recommendations. This comparison will include an analysis of the total remuneration strategy (market positioning and remuneration mix) and the design of the different remuneration items.

### **A.1.3. External Advisors**

The Regulations of the Board of Directors provide that directors, committees and their members may request external advice on matters where they deem it necessary. Willis Towers Watson's has provided advice in this regard.

### **A.1.4 Action taken by the Company on the New Remuneration Policy**

- A remuneration scheme has been designed with a balanced and efficient relationship between fixed and variable components, with the latter having a greater impact on the remuneration system. The fixed remuneration will consist of a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.
- Within the variable components, long-term variable remuneration, consisting of a share award plan subject to specific measures, will have a significant weight. This multi-year variable remuneration is intended to be structured in overlapping cycles over time so that a long-term orientation is maintained in all decision-making processes. The duration of each cycle shall be at least three years to ensure that the evaluation process is based on long-term performance and takes into account the underlying business cycle of the Company and the achievement of strategic objectives.
- The Appointments and Remuneration Committee shall propose to the Board of Directors the adoption, where appropriate, of the most suitable remuneration measures in the Company's best interests. In this regard, the measures related to **personnel categories** whose professional activities **have a material impact on the risk profile of the Company** may include, among others, the following:

- The way in which risks, controls and conduct considerations are integrated into key human resources practices, including performance evaluation, compensation, promotions, and succession planning.
  - Measures to mitigate inappropriate risk-taking, including: (i) limits on variable pay; (ii) the possible deferral of payment of the portion of annual variable pay in excess of the incentive *target*; (iii) multiple metrics; (iv) multi-year vesting periods; and (v) *malus* and *clawback* clauses.
- With regard to the measures to be adopted in relation to **personnel categories** whose professional activities **may have a material impact on the Company's risk profile**, the Appointments and Remuneration Committee will draw on the analysis of the remuneration policy for directors and senior officers and its application, considering any improvements that it proposes to the Board for the approval by the General Meeting of the New Remuneration Policy. The analysis shall include professionals whose activities may have a material impact on the Company's risk profile.
  - With regard to the measures adopted to **prevent conflicts of interest**, Article 16 of the Board of Directors' Regulations defines the duty to avoid such situations and obliges Directors to refrain from certain actions. In addition, Article 18 establishes the duty to report any situation of conflict of interest to the Board of Directors.
  - Lastly, **in relation to clauses for the reduction or refund of variable remuneration**, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, will have the power to cancel (*malus*) and/or recover (*clawback*) all or part of the annual variable remuneration and/or long-term incentives in certain circumstances. Details of these clauses will be provided in the Remunerations Policy document to be submitted to the General Meeting of Shareholders.

#### **A.1.5 Main features of the New Remuneration Policy**

##### **Executive Directors**

- The non-executive directors, that is, the Chairman and the Chief Executive Officer, which is also the Executive Vice-President of Colonial, unlike non-executive directors of Colonial, will not receive in 2021 any specific remuneration for their membership of the Company's Board of Directors or of its Committees, and these functions are included in items of fixed remuneration established for them in their respective contracts.



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- The New Remuneration Policy will establish:
  - (i) the annual fixed remuneration and its variation during the Policy period;
  - (ii) the different parameters used to set the variable components; and
  - (iii) the main terms and conditions of their contracts including, in particular, the duration, severance payment for early contract termination and exclusiveness, post-contractual non-compete clause and permanence and loyalty clauses.
- With regard to **annual fixed remuneration for the 2021 financial year**, an individual annual fixed remuneration of €750,000 is envisaged for both the Chairman of the Board of Directors and the Chief Executive Officer, which does not represent an increase over previous years since this remuneration **vests** the fixed compensation of executive directors for their membership of other bodies of subsidiary companies. Therefore, the fixed remuneration that executive directors may receive during the 2021 financial year for their dedication and attendance of boards and/or committees of Group companies would be deducted from the individual amounts of fixed annual remuneration indicated for each of the executive directors.
 

These amounts may be revised during the New Remuneration Policy under certain circumstances, such as material changes in the business, or the executive Director's skills and responsibilities, or the Company's extraordinary performance.
- The Executive Directors may receive an **annual variable remuneration for the year 2021**. The amount of this remuneration is established as a percentage of the annual fixed remuneration, and the final amount to which they are each entitled will be decided based on the degree to which the quantitative and qualitative goals are reached. The annual variable remuneration will be mostly conditioned to financial and value creation targets (quantitative). Non-financial targets (qualitative) will weigh no more than 20% of the annual *target* incentive in 2021.

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<sup>1</sup> **Fixed items**

Fixed remuneration  
Social benefit schemes  
Benefits

**Annual variable remuneration**

Including a share deferral item

**Long-term incentives**

Instrument-based  
Multi-annual target measurement period  
Holding period

- The annual incentive **target** for variable remuneration shall consist, for the 2021 financial year, of 100% of the fixed remuneration of the Chairman of the Board of Directors and the Chief Executive Officer, respectively. Moreover, the **maximum** annual incentive for the 2021 financial year may consist of up to 132,5% of the **target** (and of the fixed remuneration of the Chairman of the Board of Directors and the Chief Executive Officer, respectively).

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, shall determine the variable remuneration for the 2021 financial year, based on certain common criteria for the Chairman and the Chief Executive Officer, among which the following are currently being analysed by the Board:

Types of targets	Weight	Metrics
80% economic-financial and creation of shareholder value	35%	Net rental income and adjusted earnings per share Depending on the budget for 2021
	30%	Increase in <i>Net Asset Value</i> (NAV) Depending on the business plan for 2021
	15%	Financial policy of the Company: <ul style="list-style-type: none"> <li>- Maintain investment grade rating</li> <li>- <i>Loan to Value</i> (LTV)</li> </ul> Depending on the business plan for 2021
20% Non-financial	10%	Boost in <i>ESG</i> aspects with an emphasis on the environmental component. Depending on the business plan for 2021
	10%	Performance evaluation with a focus on issues such as innovation, organisation, risk management, and corporate reputation.

Each economic-financial and shareholder value creation metric will have an associated scale of attainment.

- The criteria for determining the annual variable remuneration of the executive directors, as well as the process for its application, and among these aspects, the calibration to be made according to the objectives set out in Colonial's business plan for the 2021 financial year, shall be carried out in accordance with the following:
  - (i) In the event that the level of attainment of the metric falls below the minimum threshold, the incentive portion associated with that metric will not be generated.
  - (ii) If the level of attainment of the metric is at the minimum threshold of compliance, the payout level would be 50% of the incentive **target** associated with that metric.
  - (iii) If the level of attainment of the metric is at or above the maximum level, the payout level would be 125% of the incentive **target** associated with that metric (for economic-financial metrics) and 150% (for shareholder value creation metrics).
- In any event, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, shall determine the payment levels after the close of the financial year, depending on the degree of attainment of the targets. The Board, upon the proposal of the Committee, shall have the power to adjust the level of the annual variable remuneration to ensure that the outcome is fair and balanced, in light of the Company's overall performance and experience for shareholders.



The evaluation of the results and the determination of the corresponding payment shall be made on the basis of the data provided by the management team, subject to the financial data contained in the annual accounts having been audited beforehand. In this evaluation, the Appointments and Remuneration Committee shall also consider the associated risks. In this regard, positive or negative economic effects arising from extraordinary events that could introduce distortions in the evaluation results may be eliminated when proposing the level of attainment of the quantitative targets.

- The annual variable remuneration will be paid in cash after the end of the year to which the target performance refers. If the amount is higher than the *target* incentive, the Board of Directors, at the Appointments and Remuneration Committee's proposal, may decide that the excess be deferred in shares during the year. If applicable, the delivery of the shares will be subject to the executive Director remaining in the Colonial Group during the deferral period, except if the termination of the relationship is for a cause attributable to the Company or in other cases deemed by the Board to be a *good leaver*.
- The beneficiaries will be entitled to receive a cash amount equivalent to the dividends accruing on the deferred shares during the deferral period on the delivery date of the deferred shares.
- On the other hand, the Board of Directors, following the Appointments and Remuneration Committee's proposal, will be entitled to agree the total or partial **cancellation (malus) and/or refund (clawback)** of the annual variable remuneration and/or the long-term incentives in the event of certain circumstances.
- Furthermore, the Board of Directors, upon the Appointments and Remuneration Committee's proposal, may agree to grant **extraordinary remuneration** to executive Directors for their involvement in extraordinary corporate operations, including acquisitions, investments, restructuring or other operations, mostly based on the relevance, complexity and singularity of the corporate operation that produces a considerable added value for shareholders and/or produces a financial benefit or a considerable asset increase that will strengthen Colonial's sustainability.

The amount of this extraordinary variable remuneration will be a percentage of the annual fixed remuneration up to a limit of 100%.

- Likewise, the Chairman and the CEO are entitled to **additional special payment by way of severance payment** in the event of non-justifiable removal or non-renewal of their terms, or a substantial reduction of their respective functions. The severance payment will also accrue (i) if they depart or resign from their posts as a result of a loss of control in the Company or a major change in the composition of the Board of Directors; (ii) in the event of an amendment to the conditions agreed in their contracts without their consent; and (iii) in any other scenarios established by the Board of Directors. The severance payment calculation will take into account 2 years of the fixed remuneration and the "target" annual variable remuneration, excluding the amounts already received and the rights derived from the long-term incentive in force at the time as approved at the General Meeting.
- Likewise, the executive directors will be beneficiaries of a defined **benefit system** covering retirement, disability and death, whose annual contribution amount for 2021 is estimated at 15% of the annual fixed remuneration for both the Chairman and the CEO.

The social benefit scheme will recognise the vesting of economic rights in the event of a dismissal or termination of the employment relationship prior to the occurrence of the covered contingencies, except if such dismissal or termination is due to just cause. In addition, these social

benefit schemes shall be compatible with any severance pay that is owed to the Chairman and/or the Chief Executive Officer.

- In addition, the Company will pay the CEO **other payments in kind** for the use of a vehicle, life, family health, and disability and accident insurance.
- If the New Remuneration Policy is approved, the **executive Directors' contracts** should be adjusted to the principles, terms and contents of the New Remuneration Policy. In this regard, the essential terms and conditions of the Chairman's and CEO's contracts are as follows:
  - (i) **Term**: For both the executive Chairman and the CEO, it will be stipulated that the term of the contract will be subject to the term of their appointment as Chairman of the Board of Directors or as CEO, in each case. If the appointment of the executive Chairman of the Board of Directors and/or the CEO is renewed, the contract is understood as automatically extended for the period relating to such renewal of office, unless otherwise resolved by the Board.
  - (ii) **Severance payments upon terminating the contractual relationship**: the executive Directors will be entitled to additional special payment by way of severance payment in the event of non-justifiable removal or non-renewal of their terms, or a substantial reduction of their respective functions. The severance payment will also accrue, (a) if they depart or resign from their posts as a result of a loss of control in the Company or a major change in the composition of the Board of Directors; (b) in the event of an amendment to the conditions agreed in their contracts without their consent; and (c) in any other scenarios established by the Board of Directors.

### **Long-term incentive**

- The Chairman and the CEO are current beneficiaries of a share allocation plan approved by the General Meeting of Shareholders on 21 January 2014. The plan was extended for a further 2 years by the General Meeting of Shareholders of 29 June 2017 and then extended a last time for another 2 years by the General Meeting of 30 June 2020. However, as announced at the 2020 Ordinary General Meeting, a new share award plan for Colonial's executive directors and members of the Management Committee (Long-Term Incentive Plan 2021-2023) is expected to be submitted for approval at the next Annual General Meeting, replacing and rendering ineffective the plan approved by Colonial's shareholders at the 2014 General Meeting of Shareholders.
- The general principles of the **new share award plan** are expected to be as follows:
  - The **beneficiaries** of the new long-term incentive will be Colonial's executive Directors and executives to be determined by the Board of Directors.
  - As opposed to the annual settlement of the current plan, the new delivery plan will be implemented in **three annual cycles**, each lasting **three years**, after which each cycle will be settled. The parameters for the first cycle (2021-2023) are described below.
  - The measurement period for the targets of the first cycle (2021-2023) will be from 1 January 2021 to 31 December 2023.
  - The allocation of shares will **depend on** the performance of certain targets and continued service during the several-year period that will be no less than 3 years.
  - The Board of Directors, upon the Appointments and Remuneration Committee's proposal, will approve the **metrics**, weight, targets and, if any, the comparison group for each allocation

to ensure constant alignment with the Company’s strategy. The long-term incentive will typically be tied to financial and value creation metrics but will also include non-financial targets. In this regard, the determination of the long-term incentive for the 2021-2023 cycle is expected to be based on the following metrics for both Executive Directors, which will be primarily associated with the creation of shareholder value:

Weight	Metrics
50%	Total Shareholder Return, relative to a comparator group, and adjusted (upwards or downwards) by the absolute Total Shareholder Return.
30%	NAV/share
10%	<i>Pipeline</i> management (investments and divestments)
10%	Adjusted earnings per share

The metrics will have a specific scale of attainment assigned to them, which will be calibrated against the targets set out in Colonial's Strategic Plan. In particular, it is envisaged that: (i) if the metric attainment level fell below a minimum threshold of compliance, the incentive portion associated with that metric would not be generated; (ii) if the metric attainment level equaled or exceeded the maximum attainment level, the payout level would be 100% of the maximum incentive portion associated with that metric.

- The Board of Directors, following the Appointments and Remuneration Committee’s proposal, will determine the **settlement of the Plan** at the end of the target measurement period, based on the performance of such targets. The incentive will vary from a minimum threshold for meeting targets to a maximum if a level of over-attainment of targets is reached.

The assessment of results and the determination of payment for some of these metrics may be made on the basis of economic-financial data provided by external advisors.

- The maximum number of shares allocated to each beneficiary based on the approved metrics and parameters will be an amount equal to a **multiple** of the beneficiary’s **fixed remuneration**. In this respect, the number of shares to be allocated to the Chairman and the Chief Executive Officer shall be determined by the General Meeting of Shareholders.
  - Beneficiaries will be required to **keep their shares** for at least one year after their allocation, without prejudice to the requirement of permanent holding of 2 annual payments of the fixed remuneration.
  - The Board of Directors, when proposed by the Appointments and Remuneration Committee, may agree to claim the **clawback clause** on the incentive.
- In this regard, the Board of Directors is expected to submit the new share award plan to the General Meeting of Shareholders for approval, detailing the corresponding terms and conditions. In this respect, the content of this section on the long-term incentive must be adjusted, where appropriate, to the provisions of the resolution on the new plan approved by the General Meeting of Shareholders.

### **Remuneration of Directors in such capacity**

- In accordance with the provisions of the Spanish Limited Liability Companies Law and Colonial's remuneration system, the annual remuneration of the Company's Directors for their membership of the Board of Directors and its Committees shall consist of:
  - (i) a pre-established annual fixed remuneration; and
  - (ii) attendance fees for the meetings of the Board of Directors and of its Committees.
- The Directors, as such, do not take part in the incentive plans or welfare schemes. They shall be reimbursed only for reasonable and justified travel and accommodation expenses incurred in attending Board or Committee meetings, at the request of the Director.
- The New Remuneration Policy will include the aggregate **maximum amount** of annual remuneration paid to Colonial's Directors as a whole for their role on the Company's Board of Directors and its Committees. In this regard, the maximum amount of annual remuneration paid to all the Company's Directors as a whole in their capacity as such for the 2021 financial year will be €2,200,000, which may be increased by 10% for each new member of the Board of Directors when the new incorporation entails an increase in the number of board members.
- The Board of Directors will **distribute the remuneration** following the proposal made by the Appointments and Remuneration Committee. The allocation of fixed remuneration to each director shall take into account the duties and responsibilities attributed to each of them, their membership of Board Committees and their dedication, as well as other objective circumstances that are considered relevant, ensuring that it is competitive with that applied in other comparable companies in terms of capitalisation, size and international presence; all of the above in order to encourage the dedication of each director without compromising their independence of judgement.
- The fixed remuneration and fees paid for the membership of and attendance to the Board of Directors and its Committees, distributed as agreed by the Board of Directors **for 2021**, are as follows:

		Member	Chairman	Other offices
<b>Board of Directors</b>	Fixed annual remuneration	€50,000	--	--
	Attendance fees per meeting	€5,000	--	--
<b>Executive Committee</b>	Attendance fees per meeting	€3,000	--	--
<b>Appointments and Remuneration Committee</b>	Fixed annual remuneration	€25,000	€50,000	--
	Attendance fees per meeting	€3,000	€4,800	--
<b>Audit and Control Committee</b>	Fixed annual remuneration	€25,000	€50,000	--
	Attendance fees per meeting	€3,000	€4,800	--
<b>Sustainability Committee</b>	Attendance fees per meeting	€3,000	€4,800	--

In addition, the Independent Lead Director receives €75,000 in remuneration for the performance of their duties.

- Lastly, in relation to the Directors in their capacity as such, the fixed remuneration items indicated above are the only remuneration they receive for their membership of the Board of Directors of Colonial. There is no profit-sharing or bonus remuneration, or remuneration systems or plans incorporating variable remuneration.

#### **Collective civil liability insurance**

- All Directors are beneficiaries of the collective civil liability insurance policy taken out by Colonial. It covers liability for the acts and conduct of the members of the Board of Directors and executives of the Company, as a result of the performance of the activities inherent to their duties, as well as any losses caused by cybersecurity attacks or failures.
- The cost of this insurance policy will not be included in the aggregate maximum amount of annual remuneration for all Directors as a whole.
- The amount of the collective civil liability insurance policy is expected to be €326,920.43 in the current year.

#### **Other remuneration items**

- During the year in progress, executive Directors of Colonial who are also members of the management bodies of other group companies (especially *Société Foncière Lyonnaise*) are expected to accrue fixed remuneration in this regard. This remuneration accrued by the executive Directors shall be deducted from their annual fixed remuneration at Colonial.
- Without prejudice to the foregoing, there are no plans for the accrual during the current year by Colonial's directors of (i) supplementary remuneration for the rendering of services other than those inherent to their office, or (ii) remuneration arising from the provision of advances, credits or guarantees, since no remuneration is expected to be paid to Directors in this regard.

#### **A.2. Significant changes in the remuneration policy applicable during the year in progress.**

As stated at the beginning of section A.1, the New Remuneration Policy, while continuing with the principles of the previous policy, will include some material changes in order to improve alignment with strategic priorities, investor opinion, and market practices of the sector. The most significant changes, which can be seen from the above, will be the following:

- Simplification of the structure of the fixed items and elimination of automatic updates according to the CPI published by the Spanish National Statistics Institute relating to the calendar year immediately preceding the date of the review.
- Clarification of the definition of the social security contribution and updating tied to increases in fixed remuneration (instead of CPI).
- Stronger objective basis for annual and long-term variable remuneration, with an increased weighting of metrics linked to the creation of shareholder value.
- Introduction of ESG objectives in annual variable remuneration.
- Introduction of the ability to pay part of the deferred annual variable remuneration and in shares.
- Definition of a long-term incentive plan linked to a three-year multi-annual target measurement period.

- Clarification of the definition of the *malus* and *clawback* clauses.
- Inclusion of a minimum permanent holding requirement in addition to the holding period for net shares, if any, delivered under the long-term incentive plan.
- Simplification of the definition of severance pay for termination of the employment relationship.
- Reduction of extraordinary remuneration (from 200% to 100% of the fixed annual remuneration of executive directors) and clarification of the exceptional cases where it could be applied, if any.

### **A.3. Consideration of the shareholders' vote at the General Meeting on the Annual Remuneration Report for the previous year**

The annual report on the remuneration of the directors of Colonial for the year 2019 was approved at the Ordinary General Meeting of Shareholders of the Company by 66.57% of the votes cast.

For the preparation of the New Remuneration Policy, in accordance with the principle of alignment with stakeholders and, in particular, with those of the Company's shareholders, the Board of Directors and, specifically, the Appointments and Remuneration Committee, after consulting with Colonial's main shareholders, will consider the information that it receives from institutional investors and *proxy advisors* in the regular consultation process carried out by Colonial. Furthermore, both the Board of Directors and the Appointments and Remuneration Committee will take into account the provisions of the Code of Good Corporate Governance with respect to the remuneration of Directors.

Notwithstanding the foregoing, in the event that the New Remuneration Policy is not approved by the Company's next Ordinary General Meeting of Shareholders, the remuneration policy detailed in section B of this report (and the annex) will be applicable during the 2021 financial year in its entirety in relation to: (i) the annual variable remuneration of the executive Directors; (ii) the additional variable remuneration of the executive Directors; (iii) the long-term incentive plan for the executive Directors; (iv) the civil liability insurance policy in favour of all the Directors; (v) remuneration in kind for executive directors relating to the defined contribution pension system covering retirement, disability and death; (vi) remuneration in kind for the use of a vehicle, family health, disability and accident medical insurance and life insurance exclusively for the Chief Executive Officer; (vii) remuneration received by executive directors of subsidiaries of Colonial; and (viii) the main conditions included in the contracts of the executive directors.

## B. OVERVIEW OF THE APPLICATION OF THE REMUNERATION POLICY IN 2020

### B.1. Process carried out to apply the policy and determine individual remuneration

- The Appointments and Remuneration Committee held ten meetings in 2020, and, as of the publication date of this report, it has held two meetings in 2021.

At the aforementioned meetings, the Appointments and Remuneration Committee discussed, among other matters, the following and agreed, where appropriate, to submit them to the Board of Directors for approval:

- Assessment of the analysis provided by the external advisor on the remuneration policy in force in 2020 in relation to market practice in the industry and corporate governance recommendations.
  - Design of the Remuneration Policy of Directors for 2021, 2022 and 2023.
  - Design of the 2021-2023 long-term incentive plan.
  - Setting the parameters of the annual variable remuneration for the 2021 financial year.
  - Revision of the Remuneration Policy document.
  - Assessment of the degree of compliance and associated payout level of annual variable remuneration.
  - Assessment of the degree of compliance and payout level associated with the grant made in 2020 of the share delivery plan.
- In addition, and pursuant to the provisions of the current Remuneration Policy for 2020 (policy approved by Colonial's Ordinary General Meeting on 14 June 2019), Colonial's Board of Directors determined, following a proposal by the Appointments and Remuneration Committee, the distribution of fixed remuneration applicable to Directors in their capacity as such.
  - Executive directors do not receive any remuneration for their membership to the Board of Directors, nor do they receive any annual fixed amounts or attendance fees for meetings of the Board of Directors. In this regard, the Chairman and CEO received the fixed remuneration stipulated in their contracts and the variable remuneration determined by the Board of Directors following the Appointments and Remuneration Committee's proposal, and taking into account certain quantitative and qualitative parameters identified hereafter. To this end the Company's Appointments and Remuneration Committee agreed to escalate to the Board of Directors of Colonial, at its meeting on 25 February 2021, the ordinary variable remuneration for the Chairman and the CEO, following adoption by the Board of Directors of the specific amounts of variable remuneration to be received by the Chairman and the CEO, as stipulated in section B.3 and the **Annex** to this Report.
  - *Identity and role of external advisors:* In accordance with Colonial's internal rules, the Appointments and Remuneration Committee may request that the Board of Directors, in order to better perform its duties, engage legal, accounting, financial or other expert advisors at the Company's expense. In this regard, in 2020, the Appointments and Remuneration Committee was advised by Willis Towers Watson, an independent advisor specialising in director remuneration, in connection with the determination and implementation of the New Directors' Remuneration Policy, including the design of the long-term incentive plan.

Likewise, in the first quarter of 2020, the Appointments and Remuneration Committee was advised by Headway Executive Search for the purpose of settling the share delivery plan in force and applicable during 2020.

Finally, in the last quarter of 2020, the Appointments and Remuneration Committee was advised by SpencerStuart in relation to the evaluation process of the Board of Directors, its Committees, the Chairman of the Board of Directors and the Chief Executive Officer, the Secretary of the Board, as well as the evaluation of the transitions made in the positions of Chairman of the Committees and the position of Lead Director carried out in 2020.

## **B.2. Actions taken by the Company to align the remuneration system with long-term objectives and to reduce exposure to excessive risks**

- The Chairman and the CEO may receive an annual variable remuneration. With respect to such variable remuneration, the Company establishes the criteria to maintain the appropriate balance between such components, with a remuneration scheme that presents a balanced and efficient relationship between fixed and variable components.
- In this way, a maximum percentage of 100% of the total amount of fixed remuneration has been established as variable remuneration, with no guaranteed variable remuneration.

This variable remuneration is subject to quantitative parameters (e.g., compliance with the budget in relation to rental income, EBITDA, earnings per share, investments and divestments, the financial policy, the percentage of building occupancy, and the creation of shareholder value) and qualitative parameters (e.g., the result of the performance evaluation of its own functions, ESG momentum, and compliance with corporate social responsibility policies).

- The executive Directors have not received any variable remuneration other than that indicated in the preceding paragraphs for the 2019 and 2020 financial years.
- The Company considers that it does not have any employees whose professional activities have a material impact on the Company's risk profile, and thus no specific measures have been adopted in this regard.
- In addition, pursuant to the provisions of the Remuneration Policy in force in 2020, the contracts of the Chairman and of the CEO contain 'clawback' clauses for which Colonial may claim, given certain circumstances, a total or partial refund of the sums received by way of variable remuneration.
- Lastly, in order to ensure that Colonial's remuneration system is in line with the Company's long-term objectives, values and interests, the share allocation plan approved by the General Meeting of Shareholders (the "**Plan**"), establishes a number of conditions that must be taken into account to determine the number of shares to be delivered to Colonial's executive Directors in their capacity as beneficiaries. These conditions are linked to the trajectory of Colonial and are, among others, the net cash flow of Company operations during the year or the annual changes to the Company's Net Asset Value.
- During the 2020 financial year, the variable element in shares had a weighting over total remuneration (fixed remuneration + annual variable remuneration + share delivery plan for 2019) of over 25% for the Chairman and over 40% for the Chief Executive Officer.



### B.3 Remuneration accrued during the year compliant with provisions of the policy in force

- The remuneration policy in force for 2020 establishes that the maximum annual amount of remuneration for all directors in their capacity as such is €1,900,000. The policy also stipulates that in the event of an increase in the number of members of the Board of Directors, the maximum amount shall be increased by 10% for each new member of the Board of Directors that entails an increase in the number of members of the Board of Directors. In accordance with the above, the maximum amount of annual remuneration for all directors in their capacity as such for 2020 was set at €2,090,000.
- In 2020, the total amount of remuneration of the directors of Colonial in their capacity as such was €1,824,700, which is €265,300 less than the limit established in the remuneration policy in force for 2020. In particular, the **individual remuneration of each Director** as such was:
  - (i) an annual fixed amount; and
  - (ii) Attendance fees for the meetings of the Board of Directors and of its Committees.
- **Executive directors** did not receive remuneration for their membership of the Board of Directors or of its committees; nor did they receive any annual fixed amounts, or attendance fees for meetings of the Board of Directors. In this regard, the executive Directors received remuneration in the amounts to which they were entitled by virtue of their respective contracts drawn up with the Company, pursuant to the applicable remuneration policy.
- At its meeting on 25 February 2021, at the behest of the Appointments and Remuneration Committee, Colonial's Board of Directors determined the sums of the annual variable remuneration of executive Directors accrued in 2020. The determination of the variable remuneration accrued by executive Directors took into account quantitative parameters (e.g., compliance with the budget in relation to rental income, EBITDA, earnings per share, investments and divestments, the financial policy, the percentage of building occupancy, and the creation of shareholder value) and qualitative parameters (e.g., the result of the performance evaluation of its own functions, ESG momentum, and compliance with corporate social responsibility policies).

In this regard, the budget forecast for 2020 regarding net rental income, structural costs, EBITDA, and earnings per share has been satisfactorily met.

In terms of financial policy, the Loan To Value was reduced to 36.2%, as were the financial costs compared to the budget. The credit rating has remained stable in 2020, as indicated by Moody's and Standard and Poor's, and the credit risk profile has improved due to the two bond issues for a total amount of €1 billion.

Furthermore, the Net Asset Value (**NAV**) remained stable in the 2020 financial year compared to 2019.

Finally, Colonial's share price fell in a similar way to other comparable companies in the sector as a result of the crisis caused by the COVID-19 global pandemic. However, as mentioned above, the NAV remained stable compared to the previous year.

As regards the achievement of investment and divestment targets, a very positive result was observed, in particular as regards the disposal of non-strategic assets for €617 million at a premium of 13% over the appraised value.

With regard to the qualitative criteria or parameters, with a weighting of 30%, the following is of note:

- (i) The progress in ESG (Environmental, Social and Governance), considering the achievements and improvements made within the scope of ESG, in which Colonial has obtained the highest ratings awarded by GRESB (obtaining recognition for the 5th consecutive year) and EPRA sBPR (Gold level), among others; as well as compliance with corporate social responsibility policies.
  - (ii) The individual performance of the Executive Directors: the Board of Directors, at the proposal of the Appointments and Remuneration Committee, has considered dedication and professional excellence, the result of the evaluation of the performance of their duties, the supervision of corporate governance, and their contribution to the improvement of Colonial's corporate reputation.
- In addition, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, has considered the measures that, since the onset of the crisis caused by the COVID-19 global pandemic, the management team has taken to strengthen the Group's position in a complex environment.
  - The Board of Directors has therefore decided that an ordinary variable remuneration of 80% of the fixed annual remuneration will be due to each of the executive Directors.
  - Furthermore, in order to determine the number of shares that, in accordance with the Plan, are due each year to the Chairman and the Chief Executive Officer, a series of terms and conditions set forth in the Plan approved by the General Meeting of Shareholders has been taken into account, including the Company's net cash flow from operations during the year, as outlined in section B.6.
  - Accordingly, due to meeting and/or exceeding the terms and conditions of the Plan as indicated in section B.6, in April 2020, as executive directors and beneficiaries of the Plan, the Chairman received 48,837 shares, and the Chief Executive Officer received 126,977 shares, corresponding to the settlement of the Plan for the 2019 financial year.

#### **B.4 Determination of the fixed components accrued during the year by the Directors in their capacity as such, and their variation with respect to the previous year**

- There were no changes to the determination of the fixed components accrued by the directors of Colonial in their capacity as such for 2020 with respect to that applicable the previous year.
- In this regard, the distribution of the fixed remuneration applicable to Directors for their capacity as such was as follows:
  - (i) Directors are entitled to a fixed annual amount of €50,000.
  - (ii) The Independent Lead Director is entitled to an additional fixed amount of €75,000.
  - (iii) Directors are entitled to a €3,000 attendance fee for each meeting of the Board of Directors they attend, although with effect from 14 June 2019 the attendance fees for each meeting of the Board of Directors were set at €5,000 by the Board of Directors by virtue of the attributions that correspond to it and without exceeding the maximum amount of the annual remuneration for all the directors included in the Remuneration Policy.
  - (iv) Members of the Executive Committee are entitled to the sum of €3,000 as attendance fees for each meeting of the Executive Committee they attend.

- (v) The Chairman of the Audit and Control Committee and the Chairman of the Appointments and Remuneration Committee are each entitled to an additional fixed annual amount of €50,000.
- (vi) All other members of the Audit and Control Committee and the Appointments and Remuneration Committee are each entitled to an additional fixed annual amount of €25,000.
- (vii) The Chairman of the Audit and Control Committee and the Chairman of the Appointments and Remuneration Committee are each entitled to €4,800 as attendance fees for each meeting of the Audit and Control Committee and the Appointments and Remuneration Committee they attend, respectively.
- (viii) The other members of the Audit and Control Committee and the Appointments and Remuneration Committee are entitled to an attendance fee of 3,000 euros for each meeting of the Audit and Control Committee and the Appointments and Remuneration Committee attended by each of them, respectively.

#### **B.5 Determination of the accrued and vested salaries, during the year ended, of each director for executive functions, and their variation with respect to the previous year**

- The remuneration policy in force in 2020 provides for a fixed annual remuneration of €576,300 for the Chairman and €670,604 for the CEO, having been automatically updated by applying the CPI published by the Spanish National Statistics Institute relating to the calendar year immediately preceding the date of the revision, or any another official benchmark that may replace it. These amounts remunerate all the functions they discharge at Colonial, as executives, members of the Company's Board of Directors and attendees of its meetings.
- The salaries accrued by the Chairman of the Board of Directors and by the CEO during the 2020 financial year did not undergo any variation, except for the annual and automatic updating by means of the application of the CPI published by the Spanish National Statistics Institute (INE) corresponding to the previous calendar year, with respect to those accrued in the previous year.

#### **B.6 Nature and main characteristics of the variable components of the remuneration systems.**

- Regarding the **short-term variable components**, in accordance with the remuneration policy for 2020, the contracts of the Chairman and the CEO contain clauses by virtue of which they may each receive, by way of annual variable remuneration, an amount of up to 100% of their annual fixed remuneration. Within the framework of the remuneration policy in force for the year 2020, the Board of Directors agreed that variable remuneration should be subject to the fulfilment of certain parameters or objectives of a quantitative and qualitative nature, the former making up 70% of the variable remuneration and the qualitative objectives making up the remaining 30%.
- Accordingly, for the 2020 financial year, based on compliance with the quantitative and qualitative criteria outlined in section B.3, the Board of Directors, following the proposal of the Appointments and Remuneration Committee, decided that the variable remuneration to be received in 2020 by the Executive Directors would be 80% of the fixed remuneration.
- Non-executive Directors did not receive any components of short-term variable remuneration in the year 2020.
- In addition to the short-term variable remuneration, both the **Chairman and the CEO are beneficiaries of the Plan**, the most significant aspects of which are indicated below:

- (i) Description: delivery of ordinary Colonial shares to beneficiaries depending on the annual achievement of certain indicators and on the beneficiaries being executive directors or having a commercial or employment relationship with the Company or its group at the dates of delivery of the shares.
- (ii) Beneficiaries: The Chairman, the CEO and the members of the company's Management Committee at any given time, including senior officers.
- (iii) Determination of the number of shares: The Chairman of the Board and the CEO, based on the fulfilment of certain requirements, are entitled to receive each year a maximum of 48,837 and 126,977 shares, respectively. However, the number of shares to be received by each of them could be increased by a maximum of 25%, depending on whether certain conditions are met.
- (iv) Conditioning factors: The number of shares to be allocated to beneficiaries will be subject to the achievement of certain conditions set out and tied to the Company's performance. In this regard, on 13 May 2014, the Board of Directors determined the following as conditioning factors:
  - If the NCF is between 95% and 105% with respect to the provisions of the latest Business Plan, 100% of the number of shares envisaged will be accrued.
  - If the NCF exceeds the provisions of the Business Plan by more than 5%, the maximum number of shares that could be received in that year will increase by 1.5% for each percentage point increase of the NCF (net cash flow) above 105%, up to a new maximum number of shares equivalent to 125% of the number of shares envisaged.
  - If the NCF is lower than the provisions of the Business Plan by up to 25%, the maximum number of shares that could be received in that year will decrease by 1.5% for each percentage point reduction of the NCF below 95%.
  - If the NCF is more than 25% lower than the provisions of the Business Plan, no portion of the number of shares envisaged will be accrued.

Likewise, the number of shares to be delivered based on the stipulated calculations will be reduced by 25% every year if the Net Asset Value of Colonial shares does not grow by 4% per annum over the term of the Plan. The annual NAV target will be calculated by increasing the data from the previous year by 4%. The NCF and the NAV will be applied on a "per share" basis.

- (v) Term and Delivery: The Plan will be in force until 2023. The Board of Directors, following a report by the ARC, will approve the annual settlement and determine the number of shares that correspond to each of the beneficiaries based on achievement of the previous year's indicators. The shares will be delivered between 15 and 30 April of each year and may not be sold or transferred until 3 years have elapsed since delivery, except to cater for the taxes arising from accrual thereof.
- The delivery of the shares will include a final adjustment so that the equivalent monetary value of the delivered share does not exceed 150% of the average share price in November 2013.
  - In any case, should a resolution be adopted with a material negative impact on Colonial shares or that may result in a different number of outstanding shares, the Board of Directors will perform the necessary adjustments to maintain the equivalence of the benefits under the Plan.

- The Plan will be settled early in the event a substantial liquidity event takes place, as defined in the resolution of the General Meeting of 21 January 2014.
- If, during the term of the Plan, the Chairman or CEO are unfairly dismissed, the General Meeting does not extend their mandate or they are dismissed from their positions without just cause, they will be entitled to an early settlement of the Plan, and the shares pending settlement will be delivered. Beneficiaries will lose their right to the delivery of shares and rights to the shares granted in the event of justified dismissal, termination with just cause or if they resign of their own accord, and in the event of a breach of contract in respect of confidentiality, a ban on offers of services or competition. In addition, the Company's external auditor has issued a report on the procedure agreed for the settlement of the Plan.
- In this regard, due to exceeding the targets and terms and conditions of the Plan by more than 100% in 2019, as well as not exceeding the price per share limit, as executive directors and beneficiaries of the Plan, in April 2020, the Chairman received 48,837 shares, and the Chief Executive Officer received 126,977 shares, corresponding to the settlement of the Plan for the 2019 financial year.

#### **B.7 Reduction or clawback claims on certain accrued variable components**

- In 2020, there were no cases of reduction or clawback claims on any variable components of the remuneration of Colonial's executive Directors, since there was no cause for such claims.

#### **B.8 Main characteristics of long-term savings systems**

- Colonial's executive Directors are beneficiaries of a defined-contribution welfare scheme covering the contingencies of retirement, disability and death.
- The executive Directors' welfare scheme recognises the vesting of financial rights should the professional relationship be terminated prior to the occurrence of the eventualities covered, unless such termination occurs with just cause. Furthermore, these long-term savings schemes are compatible with any termination benefits that may be applicable.

#### **B.9 Severance payment or other compensation due to early termination**

- In 2020, no severance payments or other types of compensation due to the early termination of Colonial's Directors was accrued or received.

#### **B.10 Remuneration in kind**

- Colonial has taken out a collective civil liability insurance policy that covers liability for the acts and conduct of the members of the Board of Directors (executives and non-executives) and directors of the Company, as a result of the performance of the activities inherent to their duties, as well as any losses caused in cybersecurity attacks or failures. The cost of this insurance policy is not included in the maximum amount of annual remuneration for all Directors in their capacity as such. In 2020, the amount of the collective civil liability insurance policy was €326,920.43.
- In addition, the Company pays the CEO other payments in kind for the use of a vehicle, family health, disability and accident insurance and life insurance. In 2020, the amount of this cash remuneration was established as €51,322.72.

#### **B.11 Material changes to executive Directors' contracts**

- In 2020, no new contracts were drawn up with Colonial's executive Directors, and no significant amendments were made to the existing contracts.

#### **B.12 Other**

- In 2020, no supplementary remuneration was accrued as consideration for services provided by Colonial's Directors other than those inherent to their posts.
- Neither was there any remuneration accrued arising from the approval of advances, credits or guarantees in favour of Colonial's directors, as no remuneration was granted to the Directors for these items.
- Furthermore, in 2020, no remuneration was accrued for payments (as consideration for Colonial's Directors' services) by the Company to a third entity where one of the Directors provided services.
- As for any other remuneration item, regardless of its nature or the group entity paying it, especially when considered a related-party transaction or when its issue distorts the true and fair view of the total remuneration accrued by the Director, no remuneration of this type was accrued in 2020 other than that specified in section C.1. b) i) of the **Appendix** hereto that contains the "Details of the individual remuneration of each Director".

#### D. OTHER INFORMATION OF INTEREST

- This Annual Remuneration Report has been approved by Colonial's Board of Directors at its meeting of 25 February 2021, with no abstentions or votes against the report.

\* \* \* \* \*

**APPENDIX**

**DETAILS OF THE INDIVIDUAL REMUNERATION OF EACH DIRECTOR**



## B) OVERVIEW OF THE APPLICATION OF THE REMUNERATION POLICY IN THE COURSE OF THE PREVIOUS YEAR

B.4. Report on the results of the advisory vote of the shareholders at the general meeting on the annual remuneration report for the previous year, indicating the number of votes against, if any, that were cast:

	<b>Number</b>	<b>% of total</b>
<b>Votes cast</b>	427,714,541	100

	<b>Number</b>	<b>% of votes cast</b>
<b>Votes against</b>	137,704,733	32.20
<b>Votes in favour</b>	284,740,478	66.57
<b>Abstentions</b>	5,269,330	1.23

### C) DETAILS OF THE INDIVIDUAL REMUNERATION OF EACH DIRECTOR

Name	Type	Accrual period 2020
JUAN JOSÉ BRUGERA CLAVERO	Executive	From 01/01/2020 to 31/12/2020
PEDRO VIÑOLAS SERRA	Executive	From 01/01/2020 to 31/12/2020
SHEIKH ALI JASSIM M. J. AL THANI	Proprietary	From 01/01/2020 to 31/12/2020
ADNANE MOUSANNIF	Proprietary	From 01/01/2020 to 31/12/2020
CARLOS FERNÁNDEZ GONZÁLEZ	Proprietary	From 01/01/2020 to 31/12/2020
JAVIER LÓPEZ CASADO	Proprietary	From 01/01/2020 to 31/12/2020
JUAN CARLOS GARCÍA CAÑIZARES	Proprietary	From 01/01/2020 to 31/12/2020
SILVIA MÓNICA ALONSO-CASTRILLO ALLAIN	Independent	From 01/01/2020 to 31/12/2020
ANA PERALTA MORENO	Independent	From 01/01/2020 to 31/12/2020
ANA BOLADO VALLE.	Independent	From 01/01/2020 to 31/12/2020
LUIS MALUQUER TREPAT	Independent	From 01/01/2020 to 31/12/2020
JAVIER IGLESIAS DE USSEL ORDIS	Independent	From 01/01/2020 to 30/06/2020
CARLOS FERNÁNDEZ-LERGA GARRALDA	Independent	From 01/01/2020 to 30/06/2020

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

**a) Remuneration from the reporting company:**

**i) Remuneration accrued in cash (thousands of euros):**

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2020	Total 2019
JUAN JOSÉ BRUGERA CLAVERO				576	461				1,037	1,144
PEDRO VIÑOLAS SERRA				671	537				1,208	1,330
SHEIKH ALI JASSIM M. J. AL THANI	50	65							115	87
ADNANE MOUSANNIF	50	92	25						167	136
CARLOS FERNÁNDEZ GONZÁLEZ	50	60							110	87
JAVIER LÓPEZ CASADO	50	92	25						167	110
JUAN CARLOS GARCÍA CAÑIZARES	50	92	25						167	126
SILVIA MÓNICA ALONSO-CASTRILLO ALLAIN	50	77	13						140	81
ANA CRISTINA PERALTA MORENO	50	99	38						187	64
ANA LUCRECIA BOLADO VALLE	50	102	38						190	69
LUIS MALUQUER TREPAT	88	122	50						260	185
JAVIER IGLESIAS DE USSEL ORDIS	25	77	38						140	222

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2020	Total 2019
CARLOS FERNÁNDEZ-LERGA GARRALDA	63	84	38						185	301

**Observations:**

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

Name	Name of Plan	Financial instruments at the beginning of 2020		Financial instruments granted in 2020		Financial instruments consolidated in the year				Instruments matured and not exercised	Financial instruments at the end of 2020	
		No of instruments	No of equivalent shares	No of instruments	No of equivalent shares	No of instruments	No of equivalent/consolidated shares	Price of consolidated shares	Gross Profit from shares or consolidated financial instruments (thousands of euros)		No of instruments	No of equivalent shares
JUAN JOSÉ BRUGERA CLAVERO	2014 share option plan	48,837	48,837	48,837	48,837	48,837	48,837	7.76	379		48,837	48,837
PEDRO VIÑOLAS SERRA	2014 share option plan	126,977	126,977	126,977	126,977	126,977	126,977	7.76	985		126,977	126,977

**Observations:**

**iii) Long-term savings systems:**

Name	Remuneration for the consolidation of rights to savings systems
JUAN JOSÉ BRUGERA CLAVERO	79
PEDRO VIÑOLAS SERRA	105

**Observations:**

Name	Contribution during the year by the company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		2020		2019	
	2020	2019	2020	2019	Savings systems with consolidated economic rights	Savings systems with non-consolidated economic rights	Savings systems with consolidated economic rights	Savings systems with non-consolidated economic rights
	JUAN JOSÉ BRUGERA CLAVERO	79	78			385		306
PEDRO VIÑOLAS SERRA	105	104			513		408	

**iv) Detail of other items**

Name	Item	Amount of remuneration
PEDRO VIÑOLAS SERRA	In-kind payment	51

**Observations:**

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

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

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2020	Total 2019
JUAN JOSÉ BRUGERA CLAVERO	190	27							217	208
PEDRO VIÑOLAS SERRA	20	31	10						61	60

SHEIKH ALI JASSIM M.J. AL THANI	20	24							44	32
CARLOS FERNÁNDEZ-LERGA GARRALDA	10	24	10						44	70
LUIS MALUQUER TREPAT	20	27							47	38
SILVIA ALONSO-CASTRILLO ALLAIN	0	0							0	1

**Observations:**

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

Name	Name of Plan	Financial instruments at the beginning of 2020		Financial instruments granted in 2020		Financial instruments consolidated in the year				Instrument s matured and not exercised	Financial instruments at the end of 2020		
		No of instruments	No of equivalent shares	No of instruments	No of equivalent shares	No of instruments	No of equivalent/consolidated shares	Price of consolidated shares	Gross Profit from shares or consolidated financial instruments (thousands of euros)	No of instruments	No of instruments	No of equivalent shares	
JUAN JOSÉ BRUGERA CLAVE RO	Delivery plan no 5 (board 06/02/2020)			6,000	6,000							6,000	6,000

Name	Name of Plan	Financial instruments at the beginning of 2020		Financial instruments granted in 2020		Financial instruments consolidated in the year				Instrument s matured and not exercised	Financial instruments at the end of 2020	
		No of instrumen ts	No of equivalen t shares	No of instrume nts	No of equivalen t shares	No of instrument s	No of equivalent/consoli dated shares	Price of consolida ted shares	Gross Profit from shares or consolida ted financial instrume nts (thousan ds of euros)	No of instrument s	No of instrume nts	No of equivalen t shares
JUAN JOSÉ BRUGERA CLAVE RO	Delivery plan no 5 (board 15/02/2019)	6,000	6,000								6,000	6,000
JUAN JOSÉ BRUGERA CLAVE RO	Delivery plan no 5 (board 20/04/2018)	6,000	6,000								6,000	6,000
JUAN JOSÉ BRUGERA CLAVE RO	Delivery plan no 4 (board 03/03/2017)	4,500	4,500			4,500	4,500	70,00	315		0	0

**Observations:**



iii) Long-term savings systems

Name	Remuneration for the consolidation of rights to savings systems

Name	Contribution during the year by the company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		2020		2019	
	2020	2019	2020	2019	Savings systems with consolidated economic rights	Savings systems with non-consolidated economic rights	Savings systems with consolidated economic rights	Savings systems with non-consolidated economic rights

Observations:

iv) Detail of other items

Name	Item	Amount of remuneration

Observations:

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

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

Name	Remuneration accrued at the Company					Remuneration accrued at group companies				
	Total remuneration in cash	Gross Profit from the shares or consolidated financial instruments	Remuneration in saving systems	Other items of remuneration	Total 2020 company	Total remuneration in cash	Gross Profit from the shares or consolidated financial instruments	Remuneration in saving systems	Other items of remuneration	Total 2020 group
JUAN JOSÉ BRUGERA CLAVERO	1,037	379	79		1,495	217	315			532
PEDRO VIÑOLAS SERRA	1,208	985	105	51	2,349	61				61
SHEIKH ALI JASSIM M. J. AL THANI	115				115	44				44
ADNANE MOUSANNIF	167				167					
CARLOS FERNÁNDEZ GONZÁLEZ	110				110					
JAVIER LÓPEZ CASADO	167				167					
JUAN CARLOS GARCÍA CAÑIZARES	167				167					
SILVIA MÓNICA ALONSO-CASTRILLO ALLAIN	140				140					
ANA CRISTINA PERALTA MORENO	187				187					
ANA LUCRECIA BOLADO VALLE	190				190					

LUIS MALUQUER TREPAT	260				260	47				47
JAVIER IGLESIAS DE USSEL ORDIS	140				140					
CARLOS FERNÁNDEZ- LERGA GARRALDA	185				185	44				44
<b>TOTAL</b>	<b>4,073</b>	<b>1,364</b>	<b>184</b>	<b>51</b>	<b>5,672</b>	<b>413</b>	<b>315</b>			<b>728</b>

**Observations:**