

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

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

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

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

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

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

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

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

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

The remuneration policy of the directors (the "**Remuneration Policy**" of Inmobiliaria Colonial, SOCIMI, S.A. (the "**Company**" or "**Colonial**") is aimed at promoting profitability for Colonial and its shareholders, the long-term sustainability of the Company and including the necessary precautions to discourage excessive risks and rewards for unfavourable results. It also aims to remunerate the work of the Company directors in achieving that purpose, while always maintaining a proportional relationship to professional performance without mainly basing itself on the general performance of the markets or the sector in which Colonial operates or on other similar circumstances. Likewise, the primary objective of the Company is for the remuneration received by the directors of Colonial to be in reasonable proportion to the Company's importance, its economic position at all times and the market standards of comparable companies in Spain and abroad.

The General Meeting approves at least every 3 years, as a separate item on the agenda, a Remuneration Policy in keeping with the remuneration system provided for in the Company Bylaws. In this regard, the Ordinary General Meeting of 28 June 2016 approved the Remuneration Policy, which will remain in place until the year 2019.

The Remuneration Policy establishes the remuneration concepts of directors in their capacity as such, within the remuneration system provided for in the Bylaws, and includes the maximum amount of the annual remuneration to be paid to all directors in such capacity. On the basis of the foregoing, the Board of Directors is responsible for determining the remuneration to be paid to each one. To this end, consideration is given to the functions and responsibilities attributed individually, their membership of Board committees, and any other objective circumstances that could be relevant.

The annual remuneration established in the Remuneration Policy takes into account the level of responsibility of the directors (in particular, executive directors), ensuring that it is competitive with the remuneration at other comparable companies based on their capitalisation, size and international presence, following examination and analysis of these factors for the purposes of determining Colonial's Remuneration Policy. To determine such remuneration, the proposed remuneration policy submitted to the Board by the Appointments and Remuneration Committee (the "**ARC**") considered the specific characteristics of each position and level of responsibility and dedication required.

Unlike non-executive directors, executive directors of Colonial do not receive any specific remuneration for their membership of the Company's Board of Directors or of its committees, and these items are included in the fixed remuneration established for them in their respective contracts.

In addition, the remuneration of executive directors under their contracts is consistent with the Remuneration Policy, which provides for (i) the amount of fixed annual remuneration and changes thereof in the period to which the policy relates, (ii) the various parameters for setting the variable components (linked to short, medium and long-term performance criteria as determined by the Board, such as dedication and professional excellence, the degree of achievement of the targets of the annual budget and investment and/or property occupancy targets) and (iii) the principal terms and conditions of their contracts, including, in particular, the term, early termination benefits or cessation of the contractual relationship and exclusivity, post-contractual non-competition and long-service or loyalty agreements. The Board of Directors sets the remuneration of directors for the discharge of executive functions and the terms and conditions of their contracts with the Company in accordance with the Law and with the Remuneration Policy.

Likewise, on 21 January 2014, the General Meeting resolved to establish a remuneration system including the delivery of shares to executive directors and members of the Management Committee, subject to compliance with certain parameters. This system will be valid until 2021.

Currently, only executive directors receive variable remuneration based on the discharge of their duties.

The Board Regulations stipulate that the directors, its committees and members may receive external advice in any areas they may consider necessary. In this regard, during the year in progress, advisory services were provided by Spencer Stuart for the purposes of an internal assessment of the Board of Directors.

The specific determinations for directors in their capacity as such applicable to the year in progress are set out below in this section A.1. During the year in progress, the executive directors will receive the corresponding amounts by virtue of their contracts, as shown below in this section A.1.

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

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

The Chairman of the Board of Directors and the CEO may receive, by way of annual variable remuneration, an amount of up to 100% of their annual fixed remuneration.

The ARC annually assesses the degree of achievement of the targets linked to the executive directors' variable remuneration and proposes to the Board of Directors the amount of the variable remuneration that may be received by executive directors.

The Chairman of the Board of Directors and the CEO may also each receive, in the event of fulfilment of the exceptional conditions stipulated in this paragraph, additional variable remuneration, the maximum amount of which may be 200% of their annual fixed remuneration. This additional variable remuneration may be agreed in exchange for the participation of each of the executive directors in corporate transactions of acquisition, investment, restructuring or any other transaction or action that, due to its nature, complexity, amount and results, may generate significant added value for shareholders or give rise to an economic benefit or a significant increase in equity to strengthen the sustainability of the Company. On a proposal from the ARC, the Board of Directors may agree, as appropriate, and set for each of the executive directors the amount and the settlement date of this additional variable remuneration within the criteria laid down in the Remuneration Policy.

Pursuant to the contracts drawn up between the executive directors and the Company, Colonial's Board of Directors may claim a total or partial refund of any amounts that executive directors may have received by way of variable remuneration, when this remuneration has been paid on the basis of data subsequently shown to be manifestly inaccurate.

Regarding the measures envisaged to ensure that the remuneration of executive directors is based on the Company's long-term results, the share delivery plan, which was approved following a proposal by the ARC by Colonial's General Meeting of Shareholders on 21 January 2014, and the term of which was extended to the year 2021 in a resolution by Colonial's General Meeting of Shareholders on 29 June 2017 (the "**Plan**"), establishes a series of objective criteria on the performance of the Company to determine the specific number of shares to be delivered to the Chairman of the Board of Directors and the CEO, such as the net cash flow from the Company's operations obtained annually and changes in the *Net Asset Value* of the Company's shares that occur each year. Furthermore, the Company seeks a proper balance between the fixed and variable components of remuneration. In this regard, the Remuneration Policy establishes the criteria to maintain the proper balance between these components, establishing variable remuneration as a maximum percentage of 100% of the total amount of fixed remuneration. The Company considers that it does not have any employees whose professional activities have a material impact on the Company's risk profile.

Additionally, shares received through enactment of the Plan may not be disposed of or transferred by the beneficiaries of the Plan until 3 years have elapsed from the date of delivery, with the exception of those necessary for the payment of taxes arising from their accrual.

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

Pursuant to the Remuneration Policy applicable to the year in progress, the maximum amount of annual remuneration for all directors in their capacity as such is €1,900,000. Colonial's Board of Directors, therefore, determined the following distribution applicable to the year in progress:

- Directors are entitled to a fixed annual amount of €50,000.
- The Vice President of the Board is entitled to a fixed annual amount of €100,000.
- The lead independent director is entitled to an additional fixed amount of €75,000.
- Directors are entitled to the sum of €3,000 as attendance fees for each meeting of the Board of Directors they attend.
- The Vice President of the Board is entitled to the sum of €4,800 as attendance fees for each meeting of the Board of Directors he attends.
- The Vice President of the Executive Committee is entitled to the sum of €4,800 as attendance fees for each meeting of the Executive Committee he attends.
- 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.
- The Chairman of the Audit and Control Committee (the "ACC") and the Chairman of the ARC are each entitled to an additional fixed annual amount of €50,000.
- The other members of the ACC and the ARC are each entitled to an additional fixed annual amount of €25,000.
- The Chairman of the ACC and the Chairman of the ARC are each entitled to the sum of €4,800 as attendance fees for each meeting of the ACC and ARC they respectively attend.
- The other members of the ACC and the ARC are each entitled to the sum of €3,000 as attendance fees for each meeting of the ACC and ARC they respectively attend.

Executive directors do not receive remuneration for their membership of the Board of Directors or of its committees; nor do they receive any annual fixed amounts, or attendance fees for meetings of the Board of Directors.

- The amount and nature of the fixed components that will be accrued during the year for the performance of senior management functions by executive directors.

The Remuneration Policy stipulates a fixed annual remuneration of €550,000 for the Chairman of the Board of Directors, and €640,000 for the CEO. These amounts remunerate all the functions carried out by executive directors at Colonial and are increased automatically each year through the application of the CPI index published by Spain's National Statistics Institute ("INE") for the preceding calendar year. In this regard, pursuant to the annual update of these amounts, for the year in progress, the fixed components of the remuneration of executive directors have been established as the sum of 564,947 euros for the Chairman of the Board of Directors and the sum of 657,393 euros for the CEO.

- The amount and nature of any component of cash remuneration that will be accrued in the course of the year, including but not limited to insurance premiums paid on behalf of the director.

Colonial has taken out a collective third-party liability insurance policy that covers all manner of liability for the acts and conduct of all directors (executive and non-executive) and the Company's executives as a result of the discharge of their duties and any loss arising from cyberattacks or failures in cybersecurity. The cost of this insurance policy is not included in the maximum amount of annual remuneration for all directors in their capacity as such. For the year in progress, the amount of the collective third-party liability insurance policy has been established as 243,511.72 euros.

In addition, the Company provides the CEO with other remuneration in kind, consisting of the use of a vehicle and family healthcare, disability, accident and life insurance. For the year in progress, the amount of this remuneration in kind amounted to 37,615 euros.

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

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

Executive directors may receive, by way of annual variable remuneration, an amount of up to 100% of the annual fixed remuneration of each.

Variable remuneration will be determined annually by the Board of Directors on a proposal from the Appointments and Remuneration Committee, based on quantitative and qualitative targets. The targets or parameters to which variable remuneration is subject are personal in nature, such as professional dedication and excellence, or of an economic or budgetary nature, or are based on the degree of achievement of the targets of the annual budget, investment or property occupancy targets and the performance of specific duties, oversight of corporate governance and the contribution to improving Colonial's corporate reputation.

In the event of fulfilment of the exceptional conditions stipulated in this paragraph, executive directors may also receive an additional variable remuneration each year, the maximum amount of which may be up to 200% of their annual fixed remuneration. This additional variable remuneration may be agreed in exchange for the participation of each executive director in corporate transactions of acquisition, investment, restructuring or any other transaction or action that, due to its nature, complexity, amount and results, may generate significant added value for Company shareholders or give rise to an economic benefit or a significant increase in equity to strengthen Colonial's sustainability.

In any case, the parameters stipulated in relation to ordinary and extraordinary variable remuneration will bear a relation to the level of compliance with the parameters, in due consideration of the performances of executive directors with respect to the level of compliance with the targets/budgets agreed on an annual basis, the intended investment, increases in Colonial's NAV and trends in the share price.

The Chairman of the Board of Directors and the CEO are both beneficiaries of the Plan, which was approved by Colonial's General Meeting of Shareholders on 21 January 2014. The most relevant aspects of the Plan are indicated below:

- *Description:* delivery of ordinary Colonial shares to beneficiaries depending on the annual achievement of certain indicators stipulated below, 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.

- *Beneficiaries:* The Chairman, the CEO and the members of the company's management committee at any given time, including senior officers.
- *Determination of the number of shares:* The Chairman and the CEO, depending on compliance with certain requirements, stipulated below, will be entitled to an annual maximum of 48,837 and 126,977 Company shares respectively. However, in accordance with the explanation in the following section, the maximum numbers of shares stipulated for the Chairman and for the CEO may be increased for both of them in the maximum amount of 25%, subject to compliance with certain conditions stipulations in said section. The maximum number of shares indicated for the Chairman of the Board and the CEO has been adjusted following the grouping and share exchange resolution adopted by the Ordinary General Meeting on 28 June 2016 under item 18 of the Agenda to 1 new share for every 10 former shares.
- *Conditioning factors:* The number of shares to be allocated to beneficiaries will be subject to the achievement of certain conditions tied to the Company's performance. In this regard, on 13 May 2014, Colonial's Board of Directors determined the following as conditioning factors:
 - If the net cash flow of operations of the Company obtained annually (the "**NCF**") is between 95% and 105% with respect to the last business plan approved by the Board of Directors (the "**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 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 decrease of the NCF below 95%.
 - If the NCF is lower than the provisions of the Business Plan by more than 25%, no portion of the number of shares envisaged will be accrued.
- *Term and Delivery:* The Plan will be in force until 2021. 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.

Delivery of the shares will include a final adjustment, such that the equivalent monetary value of the share delivered does not exceed 150% of the average share price in November 2013.

The Board, on a proposal from the ARC, will make adjustments to maintain the equivalence of the benefits under the Plan in the event that any resolution adversely and substantially affects Colonial shares or involves a variation in the number of outstanding shares as a result of a modification of the par value thereof, and in the case of merger, integration or spin-off. 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.

- Main characteristics of long-term savings systems. Among other information, the contingencies covered by the system will be stated, whether these are defined-contribution or defined-benefit, any annual contributions that must be made for defined-contribution systems, any benefits to which beneficiaries may be entitled in the case of defined-benefit systems, the conditions for the consolidation of economic rights in favour of directors and their compatibility with any kind of payment or

compensation for termination or early departure, or that arises from cessation of the contractual relationship, in the terms stipulated, between the company and the director.

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

Executive directors are beneficiaries of a defined-contribution welfare plan covering the contingencies of retirement, disability and death.

In 2016, the annual contributions to this welfare system were established as €75,000 for the Chairman of the Board of Directors and €100,000 for the CEO. These amounts are increased automatically each year through application of the CPI index published by Spain's National Statistics Institute ("INE") for the preceding calendar year. In this regard, the annual contributions for the year in progress will be 77,963 euros for the Chairman of the Board of Directors and 103,950 euros for the CEO.

The welfare system for executive directors recognises the consolidation of economic rights in the event of departure or termination of the professional relationship prior to the occurrence of the contingencies covered, unless such departure or termination occurs when just cause is found. Furthermore, these long-term savings systems are compatible with any termination benefits that may be applicable.

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

The Chairman of the Board of Directors and the CEO are entitled to additional special remuneration by way of compensation in the event of non-justifiable removal or non-renewal of their terms, or a substantial reduction of their respective functions. The compensation will also accrue in the event they waive or resign from their posts as a result of a loss of control at the Company or a major change in the composition of the Board of Directors, and in the event of an amendment to the conditions agreed in their contracts without their consent, among other scenarios.

In this regard, the Chairman of the Board of Directors and the CEO are entitled to receive from the Company, by way of compensation for termination of their respective contracts, a gross sum equivalent to 2 years' fixed and variable remuneration, in the minimum amounts of €1,650,000 and €1,920,000, respectively. These amounts will be increased automatically each year through the application of the CPI index published by Spain's National Statistics Institute ("INE") for the preceding calendar year. For the purposes of calculating this compensation, consideration will be given to the average of the amounts received in respect of fixed and variable remuneration in the last 2 years, excluding any amounts that may have been received by the Chairman of the Board of Directors and the CEO, respectively, as additional variable remuneration, and any amounts that might accrue in their favour from the Plan.

The Plan also stipulates that if the beneficiaries are unfairly dismissed during the term of the Plan, where the General Meeting does not extend the term of the Chairman or CEO or where they are dismissed from their positions without just cause or they legally retire (including agreed early retirement), they will be entitled to an early settlement of the Plan and delivery of the maximum number of shares that would have accrued in the year of termination, non-renewal of the mandate, unfair dismissal or legal retirement, as well as the maximum number of shares that could accrue during the remaining years of the Plan's effectiveness until expiry thereof. The Board of Directors will also agree on early settlement of the Plan, and the maximum number of shares pending will be delivered to each of the executive directors in the event of a "substantial liquidity event", which would arise (i) if a takeover bid is authorised in order to acquire all the share capital of Colonial, or (ii) in the event of a significant refinancing of existing debt. In the latter case, an early settlement of the Plan will be subject to ratification by the ARC.

There are no other agreements drawn up with the directors of Colonial, such as exclusivity, post-contractual non-competition and long-service or loyalty agreements, entitling directors to any kind of remuneration.

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

The contracts arranged with the executive directors determine their related remuneration, economic rights and rewards, which include the items included in the Company Bylaws and described in this report. At the present time, the essential terms and conditions of the contracts of the Chairman of the Board of Directors and the CEO are as set out below.

- *Term:* For both the Chairman of the Board of Directors and the CEO it has been stipulated that the term of the contract will be subject to the term of their respective posts. If the appointment of the Chairman of the Board of Directors and/or CEO is renewed, their respective contracts will be understood to be automatically extended for the period relating to such renewal of office, unless otherwise resolved by the Board of Directors.
- *Limits to the amounts of compensation:* the compensation of the Chairman of the Board of Directors and the CEO may not exceed a gross sum equivalent to 2 years' fixed and variable remuneration, corresponding respectively to the minimum amounts of €1,650,000 for the Chairman and €1,920,000 for the CEO, with automatic annual increases of these amounts through the application of the CPI index for the preceding calendar year. For the purposes of calculating this compensation,, consideration will be given to the average of the amounts received in respect of fixed and variable remuneration in the last 2 years, excluding any amounts that may have been received by the Chairman and the CEO, respectively, as additional variable remuneration, and any amount that might accrue in their favour from the Plan.
- *Clauses concerning compensations or golden parachutes for early termination or cessation of the contractual relationship between the Company and the executive director:* in the event of a change of control at the Company, a significant change in the composition of the Board of Directors or a substantial amendment to the terms and conditions agreed in their employment contracts without their consent, there will be a 3-month period, as from the effective date of these resolutions or changes, to notify the Board of Directors in writing of their resignation or waiver, as Chairman of the Board of Directors or CEO, in which case they will be entitled to the compensation stipulated in the preceding point. For the purposes of applying the foregoing, the effective date of the change of control or substantial change in the composition of the Board of Directors will be understood as the date on which such circumstances are published as a regulatory announcement on the CNMV website. In the event the Board of Directors resolves to substantially reduce the duties of the Chairman of the Board of Directors or CEO or amend the terms and conditions agreed in their contracts without their consent, as from the time when the party concerned receives due notice of the resolution.
- *Compensation for termination of the contractual relationship:* Executive directors will be entitled to the compensation stipulated in the preceding point.
- *Non-competition agreements, exclusivity, long-service or loyalty and post-contractual non-competition agreements:* The contracts of the Chairman and the CEO include non-competition or exclusivity agreements, and they may not engage in any other employment activity, business or professional task similar to that carried out by Colonial, with the exception of (i) group companies or companies in which Colonial has an interest, or in which any other company has an interest, provided the consent of the Board is forthcoming, and (ii) teaching activities, attendance of conferences and forums, administration of personal assets and responsibilities in family companies and non-profitmaking

organisations. The contracts do not include any provisions concerning post-contractual non-competition, long service or loyalty.

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

No other additional remuneration is expected to be accrued during the year in progress by Colonial's directors for services provided other than those inherent to their posts.

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

There are no plans for the accrual of remuneration during the year in progress by Colonial's directors arising from provision of advances, credits or guarantees, since no remuneration is expected to be paid to directors in this regard.

- The nature and estimated amount of any other additional remuneration not included in the preceding sections, whether this is paid by the company or by another group company, that will be accrued by the directors during the year in progress.

During the year in progress, directors of Colonial who are also members of the management bodies of other group companies (especially Société Foncière Lyonnaise) are expected to accrue an approximate aggregate sum of 445,000 euros in this regard.

With the exception of the indication in the preceding paragraph, no other additional remuneration not included in the preceding sections is expected to be accrued during the year in progress by Colonial's directors.

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

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

The Company has not agreed to make any relevant changes to the Remuneration Policy applicable to the year in progress.

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

https://www.inmocolonial.com/sites/default/files/20_col_jgo_2016_ca_politica_de_remuneraciones.pdf

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

Since the annual report on the remuneration of the directors of Colonial for the year 2017 was approved at the Ordinary General Meeting of Shareholders of the Company by a comfortable majority (83.60% of the votes cast), no particular measures have been taken in this regard.

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

- B.1 Explain the process carried out to apply the remuneration policy and determine the individual remuneration set out in section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, as the case may be, the identity and the role of any external advisors whose

services may have been used in the process of application of the remuneration policy in the course of the previous year.

Pursuant to the provisions of the Remuneration Policy, Colonial's Board of Directors determined, following a proposal by the ARC, the following distribution of fixed remuneration applicable to directors in their capacity as such, which was also applicable to the year 2018:

- Directors are entitled to a fixed annual amount of €50,000.
- The Vice President of the Board is entitled to a fixed annual amount of €100,000.
- The lead independent director is entitled to an additional fixed amount of €75,000.
- Directors are entitled to the sum of €3,000 as attendance fees for each meeting of the Board of Directors they attend.
- The Vice President of the Board is entitled to the sum of €4,800 as attendance fees for each meeting of the Board of Directors he attends.
- The Vice President of the Executive Committee is entitled to the sum of €4,800 as attendance fees for each meeting of the Executive Committee he attends.
- 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.
- The Chairman of the ACC and the Chairman of the ARC are each entitled to an additional fixed annual amount of €50,000.
- The other members of the ACC and the ARC are each entitled to an additional fixed annual amount of €25,000.
- The Chairman of the ACC and the Chairman of the ARC are each entitled to the sum of €4,800 as attendance fees for each meeting of the ACC and ARC they respectively attend.
- The other members of the ACC and the ARC are each entitled to the sum of €3,000 as attendance fees for each meeting of the ACC and ARC they respectively attend.

Executive directors do not receive remuneration for their membership to the Board of Directors or to its committees; nor do they receive any annual fixed amounts, or attendance fees for meetings of the Board of Directors. In this regard, the Chairman of the Board of Directors and the CEO received the fixed remuneration established in their respective contracts, and also the short-term variable remuneration determined by the Board of Directors at the behest of the ARC, for the determination of which consideration was given to professional dedication or excellence, the degree of achievement of the targets of the annual budget, investment or property occupancy targets, and the result of assessment of the performance of specific duties. To this end the Company's ARC agreed to escalate to the Board of Directors of Colonial, at its meeting on 21 February 2019, variable remuneration for the Chairman and the CEO, following adoption by the Board of Directors of the specific amount of variable remuneration to be received by the Chairman and the CEO, as stipulated in section C below.

The Board Regulations stipulate that the directors, its committees and its members may receive external advice in any areas they may consider necessary. In this regard, Spencer Stuart provided advisory services in 2018 for the purposes of an internal assessment of the Board of Directors, Chairman, CEO, Independent Lead Director and Secretary to the Board, as well as the ACC and of the ARC.

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

In order to ensure that Colonial's remuneration system is in line with the Company's long-term objectives, values and interests, 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.

Furthermore, the Company seeks a proper balance between the fixed and variable components of directors' remuneration. In this regard, the Remuneration Policy establishes the criteria to maintain the proper balance between these components, establishing variable remuneration as a maximum percentage of 100% of the total amount of fixed remuneration. Their variable remuneration is subject to parameters of a personal nature, such as professional dedication or excellence, or of an economic or budgetary nature, the degree of achievement of the targets of the annual budget, investment or property occupancy targets and the performance of specific duties, oversight of corporate governance and the contribution to improving Colonial's corporate reputation.

In the event of fulfilment of the exceptional conditions stipulated in this paragraph, executive directors may also receive additional variable remuneration each year, the maximum amount of which may be up to 200% of their annual fixed remuneration. This additional variable remuneration may be agreed in exchange for the participation of each executive director in corporate transactions of acquisition, investment, restructuring or any other transaction or action that, due to its nature, complexity, amount and results, may generate significant added value for Company shareholders or give rise to an economic benefit or a significant increase in equity to strengthen Colonial's sustainability.

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.

Likewise, pursuant to the provisions of the Remuneration Policy, the contracts of the Chairman of the Board of Directors and of the CEO contain clauses that permit Colonial to claim, in certain circumstances, a total or partial refund of the sums received by way of variable remuneration.

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

Also report on the relationship between the remuneration received by the directors and the results or other measures of performance by the company, in the short term and in the long term, explaining, where appropriate, how changes in the company's performance have influenced changes in the remuneration of directors, including any accruing the payment of which has been deferred, and how these contribute to the company's short-term and long-term results.

In 2018, the total amount of remuneration of the directors of Colonial in their capacity as such was 1,341,000 euros, in observance of the maximum amount of 1,900,000 euros for this item established in the Remuneration Policy. The individual remuneration of each of the directors in their capacity as such was (i) an annual fixed amount; and (ii) attendance fees for meetings of the Board of Directors and of its committees, as established in the Remuneration Policy. Executive directors did not receive remuneration for their membership of the Board of Directors or of its committees; nor did they receive any annual fixed amounts, or attendance fees for meetings of the Board of Directors. In this regard, the executive directors received remuneration in the amounts to which they were entitled by virtue of their respective contracts drawn up with the Company, pursuant to the Remuneration Policy. Also, as stipulated in the Remuneration Policy, executive directors are beneficiaries of the Plan, by virtue of which in 2018 54,194 shares accrued to the Chairman of the Board of Directors, and 140,906 shares accrued to the CEO.

At a meeting on 26 February 2019, at the behest of the ARC, Colonial's Board of Directors determined the sums of the annual variable remuneration of executive directors accrued in 2018. For the purposes of determining the variable remuneration accrued to the executive directors, consideration was given to professional dedication and excellence, the degree of achievement of the targets of the annual budget, investment or property occupancy targets, and the result of assessment of the performance of specific duties, with respect to which a variable remuneration of 100% was determined in relation to the annual fixed remuneration to which each director is entitled. The Board of Directors also took account of the participation of executive directors in extraordinary corporate operations carried out in the course of the year such as (i) execution of the process to merge Axiare with Colonial; and (ii) acquisition by Colonial of a 22.20% stake in the equity of Société Foncière Lyonnaise, thereby earning them an additional variable remuneration of 60%

for the Chairman of the Board of Directors and of 80% for the CEO in relation to the annual fixed remuneration to which each of them is entitled, pursuant to the Remuneration Policy. For the purposes of determining the number of shares to which, pursuant to the Plan, the Chairman of the Board of Directors and the CEO are entitled each year, consideration is given to a number of conditions in relation to the trajectory of the Company, such as the net cash flow of Company operations secured in the course of the year. Section B.7 of this report contains more information in connection with these conditions.

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

	Number	% of total
Votes cast	339,908,369	78.08

	Number	% of votes cast
Votes against	55,731,591	16.40
Votes in favour	284,170,778	83.60
Abstentions	6,000	0.00

Observations

- B.5 Explain how the fixed components accrued in the course of the year to directors in their capacity as such were determined, and how they varied with respect to the previous year.

The Board of Directors, following a proposal by the Appointments and Remuneration Committee, is tasked with distributing fixed remuneration and remuneration for each director for their membership of the Board of Directors. For these purposes, consideration is given to the functions and responsibilities assigned to each of the directors, their membership of committees of the Board of Directors, their dedication and attendance of meetings of the Board of Directors and of any of its committees on which they may sit, ensuring that it is competitive with the remuneration at other comparable companies based on their capitalisation, size and international presence.

There were no changes to the determination of the fixed components accrued by the directors of Colonial in their capacity as such for 2018 with respect to that applicable the previous year.

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

The Remuneration Policy provides for fixed annual remuneration of €550,000 for the Chairman of the Board of Directors and €640,000 for the CEO, which are reviewed annually and automatically by applying the CPI published by the Spanish National Statistics Institute relating to the calendar year immediately preceding the date of the review, or any another official benchmark that may ultimately 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.

There were no changes to the salaries accrued to the Chairman of the Board of Directors and to the CEO in 2018 with respect to those accrued the previous year, except for the annual and automatic update by applying the CPI published by the National Statistics Institute (INS) corresponding to the previous calendar year.

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

In particular:

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

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

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

Explain the short-term variable components of the remuneration systems
<p>Pursuant to the Remuneration Policy, the contracts of the Chairman of the Board of Directors and of 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.</p> <p>Variable remuneration will be determined annually by the Board of Directors on a proposal from the Appointments and Remuneration Committee, based on quantitative and qualitative targets. The targets or parameters to which variable remuneration is subject are personal in nature, such as professional dedication and excellence, or of an economic or budgetary nature, or are based on the degree of achievement of the targets of the annual budget, investment or property occupancy targets and the performance of specific duties, oversight of corporate governance and the contribution to improving Colonial's corporate reputation.</p> <p>Executive directors may also receive each year, in the event of fulfilment of the exceptional conditions stipulated in this paragraph, additional variable remuneration the maximum amount of which may be up to 200% of their annual fixed remuneration. This additional variable remuneration may be agreed in exchange for the participation of each executive director in corporate transactions of acquisition, investment, restructuring or any other transaction or action that, due to its nature, complexity, amount and results, may generate significant added value for Company shareholders or give rise to an economic benefit or a significant increase in equity to strengthen Colonial's sustainability.</p> <p>Non-executive directors did not receive any components of short-term variable remuneration in the year 2018.</p>

Explain the long-term variable components of the remuneration systems
<p>In addition to the variable remuneration referred to in the box above, both the Chairman of the Board of Directors and the CEO are beneficiaries of the Plan, which was approved by Colonial's General Meeting of</p>

Shareholders on 21 January 2014 and the term extended to the year 2021 in a resolution by Colonial's General Meeting of Shareholders on 29 June 2017. The most relevant aspects of the Plan are indicated below:

- *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.
- *Beneficiaries:* The Chairman of the Board of Directors, the CEO and the members of the company's management committee at any given time, including senior officers.
- *Determination of the number of shares:* The Chairman of the Board of Directors and the CEO, depending on compliance with certain requirements, will be entitled to an annual maximum of 48,837 and 126,977 Company shares respectively. However, in accordance with the explanation in the following point, the maximum numbers of shares stipulated for the Chairman of the Board of Directors and for the CEO may be increased for both of them in the maximum amount of 25%, subject to compliance with certain conditions stipulations in said section. The maximum number of shares indicated for the Chairman of the Board of Directors and the CEO has been adjusted following the grouping and share exchange resolution adopted by the Ordinary General Meeting on 28 June 2016 under item 18 of the Agenda to 1 new share for every 10 former shares.
- *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, Colonial's 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 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 decrease of the NCF below 95%.
 - If the NCF is lower than the provisions of the Business Plan by more than 25%, no portion of the number of shares envisaged will be accrued.
- *Term and Delivery:* The Plan will be in force until 2021. 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.

Delivery of the shares will include a final adjustment, such that the equivalent monetary value of the share delivered does not exceed 150% of the average share price in November 2013.

The Board, on a proposal from the ARC, will make adjustments to maintain the equivalence of the benefits under the Plan in the event that any resolution adversely and substantially affects Colonial shares or involves a variation in the number of outstanding shares as a result of a modification of the par value thereof, and in the case of merger, integration or spin-off. 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. The Company's internal auditor also drew up a report on the procedure agreed for settlement of the Plan.

Non-executive directors did not receive any components of long-term variable remuneration in the year 2018.

- B.8 State whether any variable components have been reduced or a refund has been claimed when, in the former case, payment has been consolidated and deferred or, in the latter case, consolidated and paid, in accordance with data subsequently shown to be manifestly inaccurate. Describe the amounts reduced or returned following application of the reduction or refund clauses (*clawback*), why they were enacted, and the years to which they refer.

In 2018, there were no reductions or refunds of any variable components of the remuneration of Colonial's executive directors.

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

Colonial's executive directors are beneficiaries of a defined-contribution welfare plan covering the contingencies of retirement, disability and death.

The welfare system for executive directors recognises the consolidation of economic rights in the event of departure or termination of the professional relationship prior to the occurrence of the contingencies covered, unless such departure or termination occurs when just cause is found. Furthermore, these long-term savings systems are compatible with any termination benefits that may be applicable.

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

In 2018, no indemnities or other types of payment arising from the early departure of directors of Colonial were accrued or collected.

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

In 2018, no new contracts were drawn up with Colonial's executive directors, and no significant amendments were made to the existing contracts.

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

In 2018, no supplementary remuneration was accrued by way of a consideration for services provided by Colonial's directors other than those inherent to their posts.

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

In 2018, no remuneration was 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.

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

Colonial has taken out a collective third-party liability insurance policy that covers all manner of liability for the acts and conduct of all directors (executive and non-executive) and the Company's executives as a result of the discharge of their duties and any loss arising from cyberattacks or failures in cybersecurity. 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 2018, the amount of the collective third-party liability insurance policy was established as 243,511.72 euros.

In addition, the Company provides the CEO with other remuneration in kind consisting of the use of a vehicle and family healthcare, disability, accident and life insurance. The Company also provides remuneration in kind for the CEO in the form of life insurance. In 2018, the amount of this remuneration in kind amounted to 37,615 euros.

- B.15 Explain the remuneration accrued by the director through the payments made by the listed company to a third party at which the director provides services, when such payments are intended to remunerate the director's services at the company.

No remuneration was accrued for this item in 2018.

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

No remuneration was accrued for this item in 2018, except as described in section C.1. b) i) of this report.

C. DETAILS OF THE INDIVIDUAL REMUNERATION OF EACH DIRECTOR

Name	Type	Accrual period 2018
JUAN JOSÉ BRUGERA CLAVERO	Executive	From 01/01/2018 to 31/12/2018
PEDRO VIÑOLAS SERRA	Executive	From 01/01/2018 to 31/12/2018
SHEIKH ALI JASSIM M.J. AL-THANI	Proprietary	From 01/01/2018 to 31/12/2018
ADNANE MOUSANNIF	Proprietary	From 01/01/2018 to 31/12/2018
JUAN CARLOS GARCÍA CAÑIZARES	Proprietary	From 01/01/2018 to 31/12/2018
CARLOS FERNÁNDEZ GONZÁLEZ	Proprietary	From 01/01/2018 to 31/12/2018
JAVIER LÓPEZ CASADO	Proprietary	From 24/05/2018 to 31/12/2018
ANA SAINZ DE VICUÑA BEMBERG	Independent	From 01/01/2018 to 31/12/2018
CARLOS FERNÁNDEZ-LERGA GARRALDA	Independent	From 01/01/2018 to 31/12/2018
JAVIER IGLESIAS DE USSEL ORDÍS	Independent	From 01/01/2018 to 31/12/2018
LUIS MALUQUER TREPAT	Independent	From 01/01/2018 to 31/12/2018

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

a) Remuneration from the reporting company:

i) Remuneration accrued in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2018	Total 2017
LUIS MALUQUER TREPAT	50	87	50						187	190

JUAN CARLOS GARCÍA CAÑIZARES	50	45	25							120	129
ADNANE MOUSANNIF	50	60	25							135	99
CARLOS FERNÁNDEZ GONZÁLEZ	50	39								89	86
SHEIKH ALI JASSIM M.J. AL-THANI	50	42								92	119
PEDRO VIÑOLAS SERRA				657	1,183					1,840	2,631
JUAN JOSÉ BRUGERA CLAVERO				565	904					1,469	2,235
JAVIER LÓPEZ CASADO	30	24								54	
ANA SAINZ DE VICUÑA BEMBERG	50	79	50							179	184
CARLOS FERNÁNDEZ-LERGA GARRALDA	125	98	75							298	303
JAVIER IGLESIAS DE USSEL ORDÍS	50	87	50							187	190

Observations

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

Name	Name of Plan	Financial instruments at the beginning of 2018		Financial instruments granted in 2018		Financial instruments consolidated in the year				Instruments matured and not exercised	Financial instruments at the end of 2018	
		No of instruments	No of equivalent shares	No of instruments	No of equivalent shares	No of instruments	No of equivalent/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

PEDRO VIÑOLAS SERRA	Plan	126,977	126,977	140,906	140,906	140,906	140,906	9.37	1,320		140,906	140,906
JUAN JOSÉ BRUGERA CLAVERO	Plan	48,837	48,837	54,194	54,194	54,194	54,194	9.37	508		54,194	54,194

Observations

iii) Long-term savings systems

Name	Remuneration for the consolidation of rights to savings systems
PEDRO VIÑOLAS SERRA	104
JUAN JOSÉ BRUGERA CLAVERO	78

Name	Contribution during the year by the company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		2018		2017	
	2018	2017	2018	2017	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
	PEDRO VIÑOLAS SERRA	104	102			306	202	

JUAN JOSÉ BRUGERA CLAVERO	78	76			229	151		
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Observations

iv) Detail of other items

Name	Item	Amount of remuneration
PEDRO VIÑOLAS SERRA	Remuneration in kind	38

Observations

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

i) Remuneration accrued in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2018	Total 2017
LUIS MALUQUER TREPAT		35							35	41
ADNANE MOUSANNIF		38							38	41
SHEIKH ALI JASSIM M.J. AL-THANI		35							35	38

PEDRO VIÑOLAS SERRA		55							55	59
JUAN JOSÉ BRUGERA CLAVERO	150	60							210	211
CARLOS FERNÁNDEZ-LERGA GARRALDA		72							72	75

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 year t		Financial instruments granted in year t		Financial instruments consolidated in the year				Instrument matured and not exercised	Financial instruments at the end of year t	
		No of instrumen ts	No of equivale nt shares	No of instrumen ts	No of equivale nt shares	No of instrumen ts	No of equivalent/consolida ted shares	Price of consolidat ed shares	Gross Profit from shares or consolidat ed financial instrumen ts (thousands of euros)	No of instrumen ts	No of instrumen ts	No of equivale nt shares
JUAN JOSÉ BRUGER A CLAVER O	Plan			6,000	6,000	6,000	6,000	24.32	146		6,000	6,000

Observations

iii) Long-term savings systems

Name	Remuneration for the consolidation of rights to savings systems
No data	

Name	Contribution during the year by the company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		2018		2017	
	2018	2017	2018	2017	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
	No data							

Observations

iv) **Detail of other items**

Name	Item	Amount of remuneration
No data		

Observations

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

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

Name	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 2018 company	Total remuneration in cash	Gross Profit from the shares or consolidated financial instruments	Remuneration in saving systems	Other items of remuneration	Total 2018 group
LUIS MALUQUER TREPAT	187				187	35				35

JUAN CARLOS GARCÍA CAÑIZARES	120				120				
ADNANE MOUSANNIF	135				135	38			38
CARLOS FERNÁNDEZ GONZÁLEZ	89				89				
SHEIKH ALI JASSIM M.J. AL-THANI	92				92	35			35
PEDRO VIÑOLAS SERRA	1,840	1,320	104	38	3,302	55			55
JUAN JOSÉ BRUGERA CLAVERO	1,469	508	78		2,055	210	146		356
JAVIER LÓPEZ CASADO	54				54				
ANA SAINZ DE VICUÑA BEMBERG	179				179				
CARLOS FERNÁNDEZ-LERGA GARRALDA	298				298	72			72
JAVIER IGLESIAS DE USSEL ORDÍS	187				187				
TOTAL:	4,650	1,828	182	38	6,698	445	146		591

Observations

In view of the above, the total amount of all the remuneration items herein accrued by all the members of the Board of Directors is 7,289 thousand euros.

D. OTHER INFORMATION OF INTEREST

Briefly detail any salient feature relating to director remuneration that has not been dealt with in the other sections of this report, but which is necessary to include in order to provide the most complete and reasoned information on the company's remuneration structure and practices in relation to its directors.

In order to estimate the remuneration for the year in progress, shown in section A herein, the data from fiscal year 2018 was taken into account as the amounts are adjusted depending on the CPI.

As for the remuneration forecast for Colonial's directors who are also members of Société Foncière Lyonnaise, we have taken into account the data from 2018 as the amount depends on the number of meetings and the actual attendance by the directors.

This annual report on remuneration was approved by the company's Board of Directors at a meeting on:

26/02/2019

State whether any directors voted against or abstained from voting on the approval of this report.

Yes

No