



THE COMPANY'S REMUNERATION POLICY (2018-2019-2020)

1. General principles behind the Remuneration Policy:

The Company's remuneration policy has been developed in accordance with its articles of association (articles 25 and 26) and the Board Regulations (article 25), as well as the Law on Capital Companies (articles 529 *septdecies*, *octodecies* and *novodecies*). The company's remuneration policy is also in line with the general principles in the Code of Good Governance of Listed Companies and the generally accepted good governance recommendations in international markets regarding directors' remuneration.

The principles and criteria concerning the Directors' Remuneration Policy are constantly reviewed by the Appointments and Remuneration Commission and the Board of Directors within the framework of their responsibilities in order to keep the company's Remuneration Policy in line with best practices and market trends.

As a general principle in establishing its remuneration policies, the Company is seeking to generate value for the Group and align them with the long-term interests of the Company and its shareholders and also ensure transparency in its remuneration policy.

Hence, the remuneration that Directors receive for performing their supervisory and collegial decision-making duties is based on the following general principles:

- Remuneration must be sufficient and adequate to effective commitment, qualifications and responsibilities of Directors, but without the remuneration being able to compromise the Directors' independent judgement.
- Remuneration must be adequate to attract and retain talent.
- Remuneration must be in accordance with the market. The remuneration of Directors in other comparable companies is taken into consideration for this.

The Chief Executive Officer's remuneration for the performance of his duties is based on the following general principles:

- To ensure that the structure and overall amount of the remuneration package is competitive with comparable companies nationally and internationally so as to attract, retain and motivate the leading professionals so that the Company can meet its strategic targets within the increasingly competitive and internationalised framework in which it carries out its business.
- To keep annual variable remuneration linked to individual performance and the overall development of the Company and the Group, taking the main figures in the annual budget as a reference.



- To encourage value creation in a sustained manner over time. In order to achieve this, remuneration includes long-term variable components to encourage the achievement of multi-year targets in a sustained manner over time and to promote the Chief Executive Officer's commitment to the Company.

2. Policy regarding the remuneration of Directors for their position as such:

- a) Pursuant to the provisions of article 26 of the articles of association, the Directors' annual remuneration for their management as members of the company's Board of Directors is set at a share of net profits, which may only be received after the reserves and dividend stipulated by Law have been covered, and under no circumstances may it exceed, as a whole, two per cent thereof.
- b) The Appointments and Remuneration Committee is responsible for proposing to the Board of Directors the criteria it deems appropriate for directors' remuneration based on their duties, and it is up to the Board of Directors to set the exact amount payable within the aforementioned limit and to distribute it among the various directors. Such remuneration shall be calculated taking into account the duties and responsibilities attributed to each Director and their membership to the various Committees. These amounts shall be reviewed based on market studies performed by independent external consultants and shall be reported on in the relevant Annual Report on Directors' Remuneration, which shall be presented to the General Shareholders' Meeting for consideration.
- c) Unlike the rest of the Directors, the Chairman receives 50% of the Chief Executive Officer's fixed remuneration for holding that position.
- d) Directors do not receive attendance allowances. They only receive the remuneration associated with their greater position of responsibility.

3. Policy regarding the remuneration for the Chief Executive Officer for performing executive duties:

The Appointments and Remuneration Committee is responsible for proposing to the Board of Directors the criteria it deems appropriate for the Chief Executive Officer's additional remuneration for his executive duties and other conditions of his contract, and it corresponds to the Board to approve them.

The Chief Executive Officer's remuneration policy takes into consideration, inter alia, the following items: (i) fixed remuneration, the purpose of which is to compensate him for the level of responsibility and performance, which must be competitive with remuneration in comparable companies; (ii) variable annual



remuneration linked to the achievement of pre-set, specific and quantifiable targets, aligned to the creation of value for shareholders, taking the group's annual budget as a reference; and (iii) a multi-year variable incentive linked to the strategic plan, as well as (iv) certain payments in kind to supplement Social Security protection.

3.1 Fixed Remuneration

The Chief Executive Officer's fixed remuneration mainly reflects the position's level of responsibility within the organisation, as well as his professional experience, seeking to ensure that it is competitive with equivalent levels of responsibility in comparable companies nationally and internationally.

When setting and making any revisions to the aforementioned items, the Appointments and Remuneration Committee takes into account pay studies and analyses performed by consulting firms with an international reputation, in order to establish adequate remuneration that is competitive in the market, complying with the provisions of article 217.4 of the Law on Capital Companies.

On these bases, each year the Appointments and Remuneration Committee determines the Chief Executive Officer's remuneration so it can be approved by the Board of Directors.

By virtue of the foregoing, in the Board of Directors' meeting on 28 February 2017, it was decided, in response to a proposal by the Appointments and Remuneration Committee, to update the Chief Executive Officer's annual remuneration setting it in €1,650,000.

This amount shall be reviewed by the Board of Directors, following a proposal by the Appointments and Remuneration Commission, in accordance with the aforementioned criteria, based on remuneration studies performed by independent external consultants. This shall be reported on in the relevant Annual Report on Directors' Remuneration which shall be presented to the company's General Shareholders Meeting for its consideration.

3.2 Annual Variable Remuneration

Part of the Chief Executive Officer's remuneration is variable in order to increase his commitment to the company and motivate his performance.

The amount of the Chief Executive Officer's annual variable remuneration is a percentage of his fixed remuneration and is subject to achieving the annual targets set by the Appointments and Remuneration Committee.

The metrics assessed in order to determine whether the annual variable remuneration targets have been met are linked to individual performance and the



achievement of economic/financial and specific operational targets, which are pre-set, quantifiable, aligned to the Company's Social Responsibility Policy and comprise the main figures in the Company's annual budget.

The Chief Executive Officer's remuneration expectations approved by the Board of Directors are 65 per cent of his fixed remuneration.

A minimum threshold is set for each target, below which the valuation is 0; the maximum achievement is 125 per cent of the target remuneration.

The manner in which this incentive is paid may be in cash, in shares or as a one-off contribution to his retirement plan. Within the first half of the year in which the incentive is payable, the Chief Executive Officer must inform the company of which percentage of the incentive is to be paid in each of the aforementioned forms.

In response to a proposal by the Appointments and Remuneration Committee, the Board of Directors shall periodically analyse the target and indicator structure, and may make modifications that shall be reported in the relevant Annual Report on Directors' Remuneration, which shall be presented to the General Shareholders Meeting for its consideration.

3.3 Multi-year variable remuneration

Just like the company's management team, the Chief Executive Officer has a remuneration component linked to a multi-year incentive.

The objectives sought through this remuneration item are to motivate and retain talent through a remuneration policy that binds and involves the group's managers in the company's strategic plan aligning the targets of the Company managers with those of the shareholders, and maintains external competitiveness enabling the best professionals to be recruited.

The instruments used for the multi-year incentive may consist of stock options, giving shares, a cash bonus and other remuneration instruments that are market practice and help achieve the aforementioned objectives.

During the financial year 2017, the Appointments and Remuneration Committee shall propose a Multi-year Incentive Plan called ILP 2018-2020 in order to retain and encourage the personal commitment of the Chief Executive Officer and certain key managers in the Group, which is linked to achieving the company's strategic plan for that period, the ultimate objective of which is long-term sustainable creation of value for the company and its shareholders.

The final assessment of whether this has been achieved, shall be performed by the Appointments and Remuneration Committee after the end of the period. Any



payments shall be made after Abertis General Shareholders' Meeting that approved the annual accounts for the year 2020 has been held.

The Chief Executive Officer's remuneration expectations in the event of the company's strategic objectives being met by year-end 2020 is 4 years' fixed remuneration. The achievement of each objective set in the plan may be assessed as being between 0 and 125 per cent.

4. Main conditions of the Chief Executive Officer's contract:

The conditions for the performance of professional services by the Chief Executive Officer are governed by his contract within the framework of the provisions of article 26 of the company's articles of association.

The contract between the company and the Chief Executive Officer is permanent and does not stipulate any right to receive any severance remuneration in the event of termination of employment, notwithstanding him immediately returning to special employment as a senior manager. The severance remuneration stipulated in that contract is applicable, and it is three years' pay in the event of termination of said employment.

The contract also stipulates the obligation to provide services to the company on an exclusive basis and full-time. The Chief Executive Officer may not render services on his own or another's account to a third party outside of the Abertis Group, except with the company's express consent.

The Chief Executive Officer is the beneficiary of a health insurance policy that also covers his family. He is also the beneficiary of a pension plan implemented through a collective insurance policy, the annual contributions to which are 40% of his fixed remuneration. It covers survival to 65 years of age, death, total, absolute or major disability, and long-term unemployment. Further contributions may be made based on his annual variable remuneration and multi-year variable remuneration.

In the event of the Executive Officer leaving the company before any of the contingencies covered by the pension plan has occurred, the rights related to contributions made up until that date shall vest for the Chief Executive Officer, except in the following cases: a) voluntary resignation without a prior agreement with the company's Board of Directors; b) rendering of services, on any basis, directly or indirectly to motorway toll concession companies that do not belong to Group Companies during the year following the cessation of his services as Chief Executive Officer; c) ceasing to perform his services through a continued and voluntary decrease in work performance; d) termination of the rendering of services through a breach of contractual good faith; and e) termination of the rendering of services due to abuse of trust in the performance of work.



In addition, it has a capital sum of 3.5 times fixed remuneration in the event of death and permanent absolute incapacity and major disability while rendering services to the company as Chief Executive Officer.

5. Period of validity of the Remuneration Policy:

The Company shall apply this Directors' Remuneration Policy in the financial years 2018, 2019 and 2020. Any modification or replacement of the Policy during that period will require prior approval by the General Shareholders' Meeting in accordance with that stipulated in the legislation in force.

In any case, this Policy shall be deemed to be notwithstanding any payments that must be made to the Chief Executive Officer during those years as deferred variable remuneration from previous financial years, which shall be subject to the conditions stipulated for the said remuneration.