

**Board  
of Directors  
Remuneration  
Policy Report  
2013**

## ANNEX 1

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

## DATA OF THE ISSUER

YEAR ENDING ON	DECEMBER 31, 2013
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TAX NUMBER	A-81787889
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NAME
REALIA BUSINESS S.A.

ADDRESS
PASEO DE LA CASTELLANA, 216, MADRID

## ANNUAL REPORT FORM ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIABILITY COMPANIES

A

– REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT YEAR

A.1 Explain the remuneration policy of the Company. This section must include information on:

- Main principles and criteria of the remuneration policy

- Most significant changes made to the remuneration policy compared to the policy implemented the previous year, and changes made during the year to the conditions for the use of the options given.
- Relative importance of the variable remuneration concepts with respect to the fixed remuneration concepts used to determine the different components of the directors' remuneration package (remuneration mix).

#### Explain the remuneration policy

Article 61.3 of the LMV, introduced by the LES, provides that the Board of listed public limited companies must prepare an annual report on remuneration of its directors, which must include full, clear and understandable information on the remuneration policy of the company, approved by the Board for the current year and, if applicable, the policy foreseen for subsequent years. This report must be attached to the Annual Corporate Governance Report. It must also include a global summary on the implementation of the compensation policy during the year, and details on individual compensations earned by each Director.

In development of said article 61.3, Order ECC/461/2013, dated March 20, 2013, was published at the Official Gazette on March 23, 2013, that determines the content and the structure of the Annual Corporate Governance Report, the Annual Remuneration Report, and other reporting instruments of the listed public limited companies, savings banks and other entities that issue stock admitted for trading in official stock market exchanges.

In compliance with the above, a new paragraph to article 26 of the Company Articles of Association regarding Compensation was added at the General Meeting held on June 8, 2011, with the following wording:

“Annual Directors' Compensation Report.

The Annual Directors' Compensation Report, containing (i) the remuneration policy of the Company approved by the Board for the current year, (ii) if applicable, the policy contemplated for subsequent years, (iii) the global summary of how was the compensation policy implemented during the year, (iv) details on individual compensations earned by each Director, will be disseminated and submitted to a vote of a consultative nature and as a separate item in the agenda, at the General Shareholders' Meeting”.

Furthermore, the Board of Directors of the Company in its April 13, 2013 meeting, updated the content of article 34 of its Regulations, with the purpose of adapting it to the new regulatory requirements, and it now reads as follows:

“1. The Board of Directors will draft an Annual Remuneration Report for its Directors, which should include complete, clear and understandable information of the remuneration policy of the Company approved for the current year, and if applicable, the policy contemplated for subsequent years. It must also include a global summary of how was the compensation policy implemented during the year, and the individual remunerations earned by each of the Directors. This report shall be disseminated and subject to a vote of a consultative nature, and as a separate item in the agenda, at the General Shareholders' Meeting.

2. The Board of Directors shall also report on the role played by the Appointment and Remuneration Committee in the drafting of the remuneration policy and, if external consultancy has been used, the name of the external consultants who provided advice”.

The Articles of Association of Realia Business, S.A. (RB) stipulate that the position of Directors must be compensated, and the remuneration will be a maximum annual cash amount, to be determined by the General Shareholders' Meeting. The Board of Directors shall distribute among its members the whole or part of the maximum annual compensation approved by the Board, according to the roles and responsibilities of each one of them on the Board and its Committees. The purpose is to encourage motivation and the retention of the most qualified professionals, and to this end the Compensation Policy tries to pay its Directors a competitive remuneration. Notwithstanding this, these compensations are revised annually by the Appointments and Remunerations Committee in order to propose the Board of Directors whatever changes it deems appropriate.

There have been no significant changes to the compensation policy from the previous year.

The General Shareholders' Meeting held in June 26, 2013, approved a maximum compensation for the Board of Directors of 692,282.00 Euros, of which the Company would pay the ten Members of the Board a fixed amount payable as remuneration for Directors as Members of the Board or one of its Committees, and another part that would be paid as attendance allowances.

For the establishment of the compensation policy, the first consideration was the recommendations of the Good Governance Code have been taken into account. Also, remunerations paid by other companies in the sector of a similar size have been taken into account.

As explained above, there is no variable part of remuneration.

The reason behind this form of remuneration (a fixed amount and another amount for attendance allowances) is that it has been considered as the most adequate form of compensating the Directors' dedication. On the one hand, the mere fact of being a member of the Board of Directors of a company and its different committees, with the responsibility it entails, justifies the payment of compensation in line with such responsibility; this explains the fixed part of compensation. On the other hand, it is reasonable that the Directors that dedicate more time to the company receive a higher compensation than those who, for different reasons, are not in a position to dedicate it so much time; this is the reason for the attendance allowances.

A.2 Information about the preparatory work and the decision-making process followed to determine the compensation policy and the role played, if applicable, by the Remuneration Committee and other control bodies in the definition of the compensation policy. This information must include, if applicable, the mandate and the members of the Remuneration Committee, and the names of the external advisors whose services have been used to establish the compensation policy. The type of directors who have participated in the definition of the compensation policy shall also be indicated.

Explain the process of establishment of the remuneration policy

As explained in section A.1 above, the Regulation of the Board of Directors establishes in its article 34, that "the Board will prepare an annual report on the compensation of its directors, that shall include complete, clear and understandable information on the remuneration policy of the Company approved by the Board for the current year, and, if applicable, the policy contemplated for subsequent years (...)". Furthermore, the Board will report on "the role played by the Appointment and Remuneration Committee in the preparation of the compensation policy and, if external consultancy has been used, on the names of the external consultants who have provided it".

#### Goal of the Directors' Remuneration Policy

According to the Articles of Association, of Realia Business, the compensation of Directors shall be paid according to the roles and duties that each of them has within the Board and its Committees, in order to encourage motivation and retain the most qualified professionals. To this end, the Remuneration Policy aims to pay Directors a competitive compensation in the market, and for this

reason, this policy is revised annually by the Compensation Committee in order to propose to the Board of Directors whatever changes are appropriate.

Information of the preparatory work and the decision-making process followed to determine the remuneration policy and the role played by the Appointments and Remuneration Policy.

The preparatory work for the compensation policy for the current year started in January. To that end, the compensations received by the Directors during the year that had just ended were analysed, both those earned as Members of the Board or of any of its Committees; these amounts were compared with the amounts received in previous years by directors of other companies of similar size and the same activity in the market; the contribution of the different Members of the Board to the Board and its Committees was evaluated and, naturally, the economic results of the year were analyzed.

For the preparation of the compensation policy, each and every member of the Board participated, under the direction and coordination of its Chairman, and all comments, valuations, opinions and suggestions made by all were taken into account. These are the Members of the Board:

Director: Mr. Ignacio Bayón Mariné  
Position: Chairman of the Board  
Type: Executive  
Date of appointment: June 5, 2012

Director: EAC Inversiones Corporativas, S.L.  
Represented by: Mrs. Esther Alcocer Koplowitz  
Type: Proprietary  
Date of appointment; June 5, 2012

Director: Meliloto, S.L.  
Represented by: Mrs. Alicia Alcocer Koplowitz  
Position: Member of the Board  
Type: Proprietary

Date of appointment: June 5, 2012

Director: Mr. Iñigo Aldaz Barrera

Position: Member of the Board

Type: Executive

Date of appointment: June 5, 2012

Director: Mediación y Diagnósticos, S.A.

Represented by: Mr. Manuel Galarza Pont

Position: Member of the Board

Type: Proprietary

Date of appointment: June 5, 2012

Director: Mrs. Carmen Iglesias Cano

Position: Member of the Board

Type: Independent

Date of appointment: June 5, 2012

Director: Mrs. María Antonia Linares Liébana

Position: Member of the Board

Type: Independent

Date of appointment: June 26, 2013

Director: Mr. Rafael Montes Sánchez

Position: Member of the Board

Type: Proprietary

Date of appointment: June 5, 2012

Director: Inmogestión y Patrimonios, S.A.

Represented by: Mr. Octavio Miguel Sánchez Laguna

Position: Member of the Board  
Type: Proprietary  
Date of appointment: June 9, 2009

Director: Participaciones y Cartera de Inversión, S.L.  
Represented by: Mr. Antonio Zafra Jiménez  
Position: Member of the Board  
Type: Proprietary  
Date of appointment: June 5, 2012

Furthermore, information and advice was given by the company's internal departments, but it was not necessary to receive advice from external consultants.

The Appointment and Remuneration Committee has played a key role in the preparation of this policy, since it is the body that proposes the Board of Directors the remuneration policy for directors and senior managers; it also proposes the individual compensation of every executive director and the rest of conditions of their contracts; it also proposes the basic terms and conditions of the senior managers' contracts, and oversees compliance with the remuneration policy established by the company (article 345 of the Board Regulation).

In Realia Business, the Appointment and Remuneration Committee is composed by the following members, all of them of the same type and date of appointment as their membership in the Board:

Chairwoman: Mrs. María Antonia Linares Liébana  
Member: EAC Inversiones Corporativas, S.L. (Mrs. Esther Alcocer Koplowitz)  
Member: Mediación y Diagnósticos, S.A. (Mr. Manuel Galarza Pont)  
Member: Mrs. Carmen Iglesias Cano  
Member: Mr. Rafael Montes Sánchez  
Member: Inmogestión y Patrimonios, S.A. (Mr. Octavio Miguel Sánchez Laguna)



In keeping with its duties, the Appointment and Remuneration Committee, in session held on January 23, 2014, agreed to propose to the Board of Directors “To maintain the same remuneration policy for the year 2014 that was approved for the year 2013”. This proposal was approved by the Board during the same session held on January 23, 2014.

A.3 Indicate the amount and type of fixed components, with its corresponding breakdown, of the remuneration for the senior management positions of executive directors, of the additional compensation as Chairman or member of any of the committees of the Board, the attendance allowances for attending Board or committee meetings or other fixed remunerations to directors, as well as an estimate of the annual fixed remuneration. Identify other benefits that are not paid in cash and the main parameters for their allocation.

Explain the fixed components of remuneration

Remuneration of Directors as Members of the Board and its corresponding Committees.

As explained above, the Board of Directors, in session held last January 23, 2014, approved to maintain the same compensation policy for 2014 that was approved for the year 2013. The General Shareholders' Meeting, in its session held on June 26, 2013, approved a maximum compensation for the year 2013 to be received by the Members of the Board of SIX HUNDRED AND NINETY TWO THOUSAND TWO HUNDRED AND EIGHTY TWO EUROS (692,282.00€). This amount has been paid out by the Board itself to its members, according to their roles and responsibilities within the Board and its Committees. This notwithstanding the compensation received by Executive Directors for their executive or senior managerial functions during the year 2013.

From said maximum amount, the Company has paid the ten Members of the Board of Directors a fixed amount paid as remuneration for their condition of Members of the Board or its Committees, and another part in payment of attendance allowances.

That amount has been paid out by the Board among its members, according to the following criteria:

- a) Compensation to the Members of the Boards for being Directors:

Fixed sum – Every Director has received a fixed annual gross amount for their condition of Member of the Board, of TWENTY THOUSAND EIGHT HUNDRED AND FORTY THREE EUROS (20,843.00 €). This amount has been paid by the Company in four identical quarterly payments.

Attendance allowances – Every Director has received the gross sum of ONE THOUSAND EIGHT HUNDRED AND NINETY FOUR EUROS (1,894.00 €) as compensation for attendance allowances for every Board meeting that they have personally attended, through any of the ways contemplated in the Board Regulations. This sum has been paid by the Company quarterly.

b) Compensation of the Members of the Board of Directors who are Members of the Executive Committee:

Fixed sum – Every Director who is a Member of the Executive Committee has received a fixed annual gross sum of TEN THOUSAND FOUR HUNDRED AND NINETEEN EUROS (10,419.00 €). This sum has been paid out in four identical quarterly payments.

Attendance allowances - Every Director has received the gross sum of ONE THOUSAND ONE HUNDRED AND FIFTY EUROS (1,150.00 €) as compensation for attendance allowances for every Executive Committee meeting that they have personally attended, through any of the ways contemplated in the Board Regulations. This sum has been paid by the Company quarterly.

c) Compensation to the Members of the Board who are members of each of the rest of Committees (Appointments and Remunerations, Audit and Financial Control, and Related-Party transactions):

Fixed sum: Every Director who is a Member of the Appointment and Remuneration, Audit and Financial Control or Related-Party Transactions Committee, has received a fixed annual gross sum of THREE THOUSAND AND FORTY NINE EUROS (3,049.00 €). This sum has been paid by the Company in four identical quarterly payments.

Attendance allowances - Every Director has received the gross sum of SIX HUNDRED EUROS (600.00 €) in compensation for attendance allowances for every Appointments and Remunerations, Audit and Financial Control, and Related-Party

transactions Committee meeting that they have personally attended, through any of the ways contemplated in the Board Regulations. This sum has been paid by the Company in quarterly.

These compensations are the only elements that make up the Directors' remuneration, and none of the rest of the remuneration components contemplated in the Board Regulations has been applied. Notwithstanding this, these sums were paid without prejudice to the compensations paid to Executive Members of the Board for their executive or senior managerial functions in the Company during 2013.

Even though it is subject to the approval by the General Shareholders' Meeting of the Company, the proposal that the Board of Directors has prepared to that body for the year 2014 is identical to the proposal approved for 2013.

Fixed component of the Executive Directors' compensation for their managerial or executive functions,

Article 26 of the Articles of Association establishes that the compensation to Directors for their condition of Members of the Board of its Committees shall be compatible and independent from salaries, remunerations, compensations or any other form of compensation established collectively or individually for those members who perform executive functions, irrespective of their relationship with the Company (employment, business-related, or service provision).

For this reason, and notwithstanding the above, the two Executive Director of the Company are remunerated for their specific executive and senior managerial functions in the Company. These compensations are fixed and annual, even though other benefits are taken into account, such as the Company's contributions to pension funds and schemes that it has established for its employees, as well as life insurance and health insurance premiums.

According to the above, the total sum of fixed remuneration expected to be paid to the Executive Directors during 2014 for their senior management functions, amounts to 1.093 million Euros.

A.4 Explain the amount, type and main features of the variable parts of remuneration systems.

Specifically:

- Identify each one of the remuneration schemes that the Directors are beneficiaries of, their scope, their date of approval, date of implementation, period of validity and their main features, In case of stock-option plans and other financial instruments, the main features of the plan must include information about the conditions to exercise those options or the financial instruments for each plan.
- Indicate any compensation in the form of profit sharing or premiums, and the reason why they were granted.
- Explain the main parameters and the rationale behind every premium system (bonuses).
- They type of directors (executive directors, external proprietary directors, external independent directors or other external directors) who are beneficiaries of compensation schemes or plans that include variable remuneration.
- The explanation of these variable pay schemes or plans, the criteria chosen to assess performance, and the evaluation components and methods to determine whether these evaluation criteria have been met, and an estimate of the total amount of variable pay that the current remuneration plan would generate, according to the degree of compliance with the objectives or hypotheses that it uses as reference.
- If applicable, information must be provided on the periods of postponement or deferral of payments established and/or the periods of withholding of shares or other financial instruments, if any.

Explain the variable components of the compensation systems

N/A

A.5 Explain the main features of the long-term saving systems, including retirement and any other survivor's benefits, financed totally or in part by the company, either internally or externally provided, with an estimate of their amount or equivalent annual cost, indicating the type of scheme, whether it's a fixed payment or benefit, the conditions for the consolidation of economic rights in favour of directors, and their compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the directors.

Indicate also the benefits of fixed-contribution pension schemes in favour of the director; or the increase in the consolidated rights of the director, in case of contributions to defined benefit plans.

Explain the long-term savings systems

As explained in section A.3 above, the two Executive Directors of the Company are paid for their executive and senior managerial functions in the Company, not only through a fixed annual remuneration, but also with the same benefits as the rest of the employees of the Company, such as contributions made by the Company to the existing pension schemes and plans for its employees, as well as life insurance and health insurance premiums.

The Pension Scheme is of the joint promotion pension plan for employees type, with defined benefits, since the amount of the promoters' contributions is defined, and account for 7% of the fixed annual remuneration plus 3% of the variable pay, within the legal limits. In case of termination or suspension of the employment relationship, the promoter will stop making contributions to the Scheme, which covers as contingencies the retirement of the beneficiary, their work disability, total and permanent for their job, or absolute and permanent for any type of work, major disabilities, severe dependency or death.

The total sum of the contributions to be made by the Company to pension plans and schemes for the two Executive Directors amounts to 25,000 Euros.

Additionally, and in order to cover contribution commitments whose amount is higher than the limits established by the current legislation on pension schemes and plans, the company has underwritten a life insurance, whose main guarantees are retirement and death for any cause, and the complementary guarantees are complete disability, total and permanent professional disability and major disability. The contribution to be made will be the difference between the legal limit of 25,000 Euros as contribution to the Pension Scheme and the sum resulting from applying a 7% percentage to the fixed remuneration for the year and 3% of the variable remuneration, if any. In 2014, the total sum contemplated for this concept will amount to some 52,000 Euros for both Executive Directors.

Just like the rest of the employees of the Company, and according to the provisions of the applicable Collective Bargain and the commitments acquired by the company with its employees throughout their employment relationship, the Executive Directors are covered by a life and accident insurance, whose main coverage is death, and its complementary coverage are total and permanent incapacity, total and permanent disability and death as a result of accident, with a capital insured equivalent to one year of fixed salary. The cost estimate for 2014 will amount to 63,000 Euros.

Finally, the company covers part of a medical insurance, in which the beneficiary is the employee who so desires, as well as their spouse and children under 25. The cost estimate for 2014 will be very similar to the amount covered in 2013, 3,400 Euros for both Executive Directors.

A.6 Indicate whatever compensations agreed or paid in case of termination of the functions as a director.

Explain the compensations

N/A

A.7 Indicate the conditions that must be respected by those who have senior managerial functions as executive directors. Among others, the duration, limits to compensation sums, permanence clauses, advanced notice periods, as well as payment in lieu of said advanced warning, and any other clauses related to contracting premiums, as well as compensation or binding agreements for early termination of the contractual relationship between the company and the executive director. They must also include, among others, agreements or covenants of non-competence, exclusiveness, permanence or loyalty, and post-contractual non-competence.

Explain the terms and conditions of the contracts of executive directors

The Chairman of the Board's contract is a senior management contract, on indefinite duration, effective as of January 1, 2005, in which he is recognized the pay level and seniority (1993) that he had in Fomento de Construcciones y Contratas, S.A. and to which the same conditions and benefits that apply to the rest of the company workforce are applicable.

The General Manager's contract is a senior management contract, of indefinite duration, entered into on July 31, 2000. A compensation of two years' salary was agreed in case of wrongful dismissal and a notice period by both parties, of three months of gross salary, replaceable by an equivalent economic compensation. It contains a three-month non-competence agreement, which can also be replaced by both parties by the same economic compensation of three months of gross salary for the non-

competence during a period of three months, and the seniority of his former contract (1997) was also recognized. This contract has been ratified in all its terms and conditions and for all purposes, including economic ones, by the Board of Directors of Realia Business S.A., in its January 23, 2014 meeting.

A.8 Explain any additional remuneration earned by directors as compensation for services paid different from those inherent to his position

Explain the additional remunerations

N/A

A.9 State any remuneration in the form of advanced payments, loans and guarantees granted, indicating the interest rate, their essential features and the amounts eventually returned, as well as the obligations assumed in the form of guarantees.

Explain the advances, loans and guarantees granted

N/A

A.10 Explain the main characteristics of payments in kind

Explain the payments in kind

N/A

A.11 State the remunerations earned by the director as a result of payments made by the listed company to a third party in which the director is providing his services, when said payments are intended to pay for his services to the company.

State the remunerations earned by the director as a result of payments made by the listed company to a third party in which the director is providing his services

N/A

A.12 Any other remuneration items different from the above, whatever their nature or the entity of the group that pays for it, especially when it is considered as a related-party transaction or its payment distorts the true image of the total remuneration earned by the director.

Explain the rest of remuneration items

N/A

A.13 Explain the actions adopted by the company regarding the remuneration system to reduce the exposure to excessive risks and adapt them to the long-term objectives, values and interests of the company, which will include, if applicable, a reference to: measures foreseen to guarantee that the remuneration policy considers the long-term results of the company, measures that establish the right balance between the fixed and variable components of remuneration, measures adopted on those job categories whose professional activities have a material impact on the risk profile of the company, recovery formulae or clauses to claim the refund of variable components of performance-based pay when those components have been paid in accordance with data which have subsequently proven to be manifestly inaccurate and measures foreseen to prevent conflicts of interest, if any.

Explain the actions adopted to reduce the risks

As explained in previous sections, as of 2012, the only remuneration received by the Directors of the Company, including Executive Directors, and the rest of its employees, is a fixed compensation, which prevents exposure to excessive risks.

**B. REMUNERATION POLICY FORESEEN FOR FUTURE YEARS**



B.1 Make an overall forecast of the remuneration policy for future years that describes said policy related to: fixed components and daily allowances and variable remunerations, relationship between pay and performance, forecasting systems, conditions of the contracts of executive directors, and forecast of more significant changes to the remuneration policy compared to previous years.

Overall forecast of the remuneration policy

For future years, it is foreseen that the current conditions of the remuneration policy will be maintained, both in terms of the sums to be paid to the different Directors and in the type of compensation (fixed component and attendance allowances). Furthermore, it is not contemplated to change the economic or contractual conditions of the Executive Directors.

Notwithstanding the above, due to the process of search for new investors who will replace the current majority shareholders (FCC and Bankia) that the company is currently going through, the future remuneration policy will depend on the new composition of the Board of Directors and its Committees, and the new majority shareholders of the company.

B.2 Explain the decision-making process for the configuration of the compensation policy adopted for future years, and the role played by the remuneration committee, if any.

Explain the decision-making process for the definition of the compensation policy

Due to the process of search for new investors mentioned in item B.1 above, there

has not been a decision-making process for the configuration of the compensation policy for future years, but it is simply expected that the policy will have the same characteristics.

B.3 Explain the incentives created by the company in the compensation system to reduce exposure to excessive risks and adjust it to the long-term objectives, values and interest of the company.

Explain the incentives created to reduce risks

Since 2012, the only compensation received by the Directors of the company, including Executive Directors, and the rest of the employees, is a fixed remuneration, it has not been considered necessary to establish any type of incentive to reduce exposure to excessive risks and adjust the compensation system to the long-term objectives, values and interests of the company.

## C OVERVIEW OF THE IMPLEMENTATION OF THE COMPENSATION POLICY DURING THE YEAR THAT JUST ENDED

C.1 Explain in a summarized manner the main features of the remuneration structure and items of the compensation policy implemented during the last year, which produces the detailed individual compensations earned by each of the directors referred to in section D of the current report, and a summary of the decisions taken by the board for the implementation of those concepts.

Explain the remuneration structure and concepts of the remuneration policy implemented during the year

Remuneration of Directors for their being Members of the Board of Directors and its Committees.

The Appointments and Remuneration Committee, in its session held on January 24, 2013, agreed to propose to the Board of Directors of the Company to maintain the same compensation policy of the Board in 2013 that was applied in 2012. Based on that, in its session held on March 26, 2013, it agreed to propose to the Board of Directors the Annual Remuneration Report of the Directors that was attached to the Minutes of that meeting and which proposed, in summary, the following remuneration:

1) A maximum remuneration to be received by the members of the Board during 2013 of 692,282.00 €. This sum will be paid out by the Board itself among its Members, according to their functions and duties within the Board and its Committees.

Out of that maximum sum, the Company will pay the ten Members of the Board of Directors a fixed amount that will be paid as compensation for being members of the Board or any of its Committees, and another part that will be paid as attendance allowances. It is planned to eliminate the variable compensation in the current year 2013.

This amount will be distributed by the Board of Directors among its members according to the following criteria:

a) Compensation to the Members of the Board of Directors for their condition of Members of the Board:

Fixed sum – Every Director will receive a fixed annual gross sum of 20,843.00 € for their membership in the Board. This sum will be paid by the Company every quarter, in four identical payments.

Attendance allowances – Every Member of the Board will receive the sum of 1,894.00 € for every session of the Board of Directors that they attend personally, through any of the means contemplated in the Board Regulations. This sum will be paid quarterly by the Company.

b) Compensation to the Members of the Board for being Members of the Executive Committee:

Fixed sum – Every Director will receive a fixed annual gross amount for being a member of the Executive Committee of 10,419.00 €. This sum will be paid by the Company in four identical quarterly payments.

Attendance allowances – Every Member of the Board will receive the sum of 1,158.00 € for every session of the Executive Committee that they attend personally, through any of the means contemplated in the Board Regulations. This sum will be paid quarterly by the Company.

c) Remuneration to the Members of the Board of Directors for their condition of members of each one of the rest of the Board's Committees (Appointments and Remuneration, Audit and Control, Related-Party Transactions):  
Every Director will receive a fixed annual gross amount of 3,049 € as member of the Audit and Control Committee, Appointments and Remuneration Committee, or Related Party Transactions Committee. This sum will be paid in four identical quarterly payments by the Company.

Attendance allowances - Every Member of the Board will receive the sum of 600.00 € for every session of the Control Committee, Appointments and Remuneration Committee, or Related Party Transactions Committee that they attend personally, through any of the means contemplated in the Board Regulations. This sum will be paid quarterly by the Company.

- 2) The compensations mentioned above will be paid without prejudice to the compensations received by Executive Committee members for their executive or senior managerial duties in the Company during the year 2013.
- 3) These compensations will be the only items that, if applicable, will make up the remuneration of the Directors, and no other remuneration items contemplated in the Board Regulations will be applicable.

This proposal was put to the Board of Directors of the Company which, in session held on that same date, approved it and agreed to submit it, for consultative purposes, to the General Shareholders' Meeting, as a separate item in the agenda.

The General Shareholders' Meeting held on June 26, 2013, approved by a majority of 179,536,17 votes in favour, the Annual Report on the Remunerations of the Directors of Realia Business, previously approved by the Board of Directors of the Company, as well as a maximum remuneration of 692,282.00 € for the Board of Directors. These sums must be paid out by the Board among its members according to the following criteria:

“a) Remuneration of the Members of the Board for their condition of Members:

Fixed sum – Every Director will receive a fixed annual gross amount of 20,843.00 € for their condition of Members of the Board. This sum will be paid by the Company in four identical payments, on a quarterly basis.

Attendance allowances – Every Director will receive a gross sum of 1,894.00 € in compensation for every session of the Board of Directors that they personally attend, through any of the means contemplated in the Board Regulations. This sum will be paid quarterly by the Company.

b) Remuneration of the Members of the Board for their condition of members of the Executive Committee:

Fixed sum – Every Director will receive a fixed annual gross sum of 10,149.00 € for their condition of member of the Board. This sum will be paid in four identical parts by the Company, on a quarterly basis.

Attendance allowances – Every Director will receive as compensation for every session of the Executive Committee that they personally attend, through any of the means contemplated in the Board Regulations, the gross sum of 1,158.00 €. This sum will be paid by the Company quarterly.

- c) Compensation to the members of the Board of Directors for their condition of members of each one of the rest of the Board's Committees (Appointments and Remuneration, Audit and Control, Related Party Transactions):

Fixed sum – Every Director will receive a fixed annual gross sum of 3,049.00 € for their condition of member of the Appointments and Remuneration, Audit and Control, Related Party Transactions Committees. This sum will be paid in four identical quarterly payments by the Company.

Attendance allowances – Every Director will receive as compensation for every session of the Appointments and Remuneration, Audit and Control, Related Party Transactions Committee that they personally attend, through any of the means contemplated in the Board Regulations, the gross sum of 600.00 €. This sum will be paid by the Company quarterly”.

Remuneration of Executive Directors for their managerial or executive duties.

Article 26.2 of the Articles of Association establishes that the remunerations to Directors for their being Members of the Board of Directors and its Committees will be compatible and independent from salaries, remunerations or compensations of any kind established generally or individually for those members who perform executive functions, irrespective of their relationship with the Company (employment, business-related or service provision).

Therefore, and notwithstanding the above, the two Executive Directors of the Company have been paid for their executive and senior managerial duties in the company. These remunerations are fixed and annual, even though they enjoy other benefits, such as the contributions made by the Company to the pension schemes and funds that it has established for its employees, and the life and medical insurance premiums.

According to the above, the total sum of the fixed remunerations paid in 2013 to the Executive Directors for their executive and senior managerial duties, amounts to 1,093 million Euros; the total amount of payments by the Company to pension schemes and funds (including the excess policy), life and health insurance premiums, being 112,000 €.

## DETAILS OF INDIVIDUAL REMUNERATIONS EARNED BY EACH OF THE DIRECTORS

Name	Type	Accrual period – 2013
MELILOTO, S.L.	Proprietary	From 1/1/2013 to 12/31/2013
PARTICIPACIONES Y CARTERA DE INVERSION, S.L.	Proprietary	From 1/1/2013 to 12/31/2013
IGNACIO BAYÓN MARINÉ	Executive	From 1/1/2013 to 12/31/2013
IÑIGO ALDAZ BARRERA	Executive	From 1/1/2013 to 12/31/2013
CARMEN IGLESIAS CANO	Independent	From 1/1/2013 to 12/31/2013
MARIA ANTONIO LINARES LIÉBANA	Independent	From 1/1/2013 to 12/31/2013
RAFAEL MONTES SÁNCHEZ	Proprietary	From 1/1/2013 to 12/31/2013
EAC INVERSIONES CORPORATIVAS, S.L.	Proprietary	From 1/1/2013 to 12/31/2013
INMOGESTÓN Y PATRIMONIOS S.A.	Proprietary	From 1/1/2013 to 12/31/2013
MEDIACIÓN Y DIAGNOSTICOS S.A.	Proprietary	From 1/1/2013 to 12/31/2013

1. Fill in the following tables on the individual compensation of each one of the directors (including compensation for the performance of executive duties) accrued during the year
  - a) Compensation earned in the company subject
    - i) Payments in cash (thousand of €)



## i) Remunerations in cash (thousand Euros)

Name	Salaries	Fixed pay	Attendance allowances	Short-term variable pay	Long-term variable pay	Remuneration for membership in Board's Committees	Compensations	Other concepts	Total 2013	Total 2012
IGNACIO BAYÓN MARINÉ	648	21	31	0	0	13	0	2	715	798
EAC INVERSIONES CORPORATIVAS S.L.	0	21	26	0	0	13	0	0	60	66
MELILOTO, S.L.	0	21	27	0	0	13	0	0	61	27
MEDIACIÓN Y DIAGNÓSTICOS S.A.	0	21	34	0	0	17	0	0	72	70
CARMEN IGLESIAS CANO	0	21	25	0	0	9	0	0	55	59
MARIA ANTONIA LINARES LIÉBANA	0	21	25	0	0	9	0	0	60	55
INMOGESTIÓN Y PATRIMONIOS S.A.	0	21	30	0	0	10	0	0	61	61
IÑIGO ALDAZ BARRERA	445	21	31	0	0	13	0	1	511	604
PARTICIPACIONES Y CARTERA DE INVERSIÓN S.L.	0	21	23	0	0	16	0	0	60	56
RAFAEL MONTES	0	21	36	0	0	16	0	0	73	66



SÁNCHEZ										
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ii) Share-based remuneration systems

iii) Long-term savings systems

Name	Contribution by the company during the year (thousand €)		Sum of accumulated funds (thousand €)	
	2013	2012	2013	2012
IGNACIO BAYÓN MARINÉ	46	48	480	414
EAC INVERSIONES CORPORATIVAS, S.L.	0	0	0	0
MELILOTO, S.L.	0	0	0	0
IÑIGO ALDAZ BARRERA	31	34	505	453
MEDIACION Y DIAGNÓSTICOS, S.A.	0	0	0	0
CARMEN IGLESIAS CANO	0	0	0	0

MARIA ANTONIA LINARES LIÉBANA	0	0	0	0
RAFAEL MONTES SÁNCHEZ	0	0	0	0
INMOGESTIÓN Y PATRIMONIOS, S.A.	0	0	0	0
PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.	0	0	0	0

## IV) Other benefits (thousand €)

IGNACIO BAYÓN MARINÉ			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
32	28	N/A	N/A

EAC INVERSIONES CORPORATIVAS, S.L.			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A

Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
0	0	N/A	N/A

MELIOTO, S.L.			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
0	0	N/A	N/A

IÑIGO ALDAZ BARRERA			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
3	3	N/A	N/A

MEDIACIÓN Y DIAGNÓSTICOS, S.A.			
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Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
0	0	N/A	N/A

CARMEN IGLESIAS CANO			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
0	0	N/A	N/A

MARIA ANTONIA LINARES LIÉBANA			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
0	0	N/A	N/A

RAFAEL MONTES SÁNCHEZ			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
0	0	N/A	N/A

INMOGESTIÓN Y PATRIMONIOS S.A.			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back
0.00		N/A	N/A
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
0	0	N/A	N/A

PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.			
Remuneration in the form of advanced payments, loans granted			
Interest rates of the operation		Essential characteristics of the operation	Amounts eventually paid back

0.00		N/A	
Life insurance premiums		Securities lodged by the company in favour of directors	
2013	2012	2013	2012
0	0	N/A	N/A



Y CARTERA DE INVERSIÓN S.L.										
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ii) Share-based remuneration systems

iii) Long-term savings plans

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

The summary must include the amounts corresponding to all the remuneration concepts included in this report that have been accrued by the director, in thousands of Euros.

In the case of long-term savings systems, the contributions or payments made to this type of systems must be included:



Name	Remuneration accrued in the company				Remuneration accrued in companies of the Group				Total		
	Total remuneration in cash	Sum of shares granted	Gross profit of options exercised	Total Company 2013	Total remuneration in cash	Sum of shares granted	Gross profit of options exercised	Total Company 2013	2013	2012	Payments to the saving system during the year
IGNACIO BAYÓN MARINÉ	715	0	0	715	5	0	0	5	720	798	46
EAC INVERSIONES CORPORATIVAS, S.L.	60	0	0	60	0	0	0	0	60	66	0
MELILOTO, S.L.	61	0	0	61	0	0	0	0	61	27	0
IÑIGO ALDAZ BARRERA	511	0	0	511	4	0	0	4	515	604	31
MEDIACIÓN Y DIAGNÓSTICOS, S.A.	72	0	0	72	0	0	0	0	72	70	0
CARMEN IGLESIAS CANO	55	0	0	55	0	0	0	0	55	59	0
MARIA ANTONIA	60	0	0	60	0	0	0	0	60	55	0

LINARES LIÉBANA											
RAFAEL MONTES SÁNCHEZ	73	0	0	73	0	0	0	0	73	66	0
INMOGESTIÓN Y PATRIMONIOS, S.A.	61	0	0	61	0	0	0	0	61	61	0
PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.	60	0	0	60	0	0	0	0	60	56	0
<b>TOTAL</b>	<b>1,728</b>	<b>0</b>	<b>0</b>	<b>1,728</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>1,737</b>	<b>1,862</b>	<b>77</b>

D.2 Report on the relationship between the remuneration earned by the directors and the results or other measures of the company's performance, explaining, if applicable, how the variations in the performance of the company might have influenced on the variation of Directors' remunerations.

It is not possible to determine the relationship between the remuneration of directors and the company's result, since this is negative.

The remuneration of the Members of the Board of the Company are not linked to the Company's results, since the remuneration is of a fixed nature and is related to the attendance to the different meetings of the Board and its Committees.

D.3 Report on the result of the consultative vote of the General Shareholders' Meeting on the remunerations of the previous year, indicating the number of negative votes cast, if any:

	Number	% of total
Votes cast	180,622,560	65.12%

	Number	% of total
Votes in favour	1,081,970	0.60%
Votes against	179,536,517	99.40%
Abstentions	4,073	0.00%

## E – ADDITIONAL INFORMATION OF INTEREST

If there is any relevant aspect regarding directors' remuneration that has not been included in the rest of sections of the current report, but which must be included to record a more accurate and reasoned information on the remuneration structures and practices regarding its directors, please describe them briefly and in detail.

### CLARIFICATIONS REGARDING THE DATA PROVIDED IN THE CURRENT REPORT.

D.1.c) The amounts indicated in the section "Payments to savings system during the year" include the payments made by the company to a Pension Scheme and an Excess Policy, according to the following breakdown:

Member of the Board: Mr. Ignacio Bayón Mariné.  
Contributions to Pension Scheme: 12,500 €  
Contributions to the Excess Policy: 33,500 €

Member of the Board: Mr. Iñigo Aldaz Barrera  
Contributions to Pension Scheme: 12,500 €  
Contributions to the Excess Policy: 18,500 €

As to the economic data indicated on the tables on section D), these can be slightly different than the actual ones, since the software does not allow for decimals.

This annual remuneration report has been approved by the Board of Directors of the company, in its session held on May 12, 2014.

Please indicate whether there have been members of the board who have voted against or have abstained in the approval of this report.

Yes

No x