

## EXHIBIT 1

### ANNUAL DIRECTOR COMPENSATION REPORT FOR LISTED CORPORATIONS

#### DETAILS IDENTIFYING ISSUER

**DATE OF FISCAL YEAR END**

11/30/2015

**TAX IDENTIFICATION CODE**

A-28011153

**CORPORATE NAME**

ZARDOYA OTIS, S.A.

**REGISTERED OFFICE**

GOLFO DE SALONICA, 73, MADRID

## MODEL FOR ANNUAL REPORT ON DIRECTOR COMPENSATION IN LISTED COMPANIES

### A THE COMPANY'S COMPENSATION POLICY FOR THE CURRENT YEAR

A.1 Explain the company's compensation policy. This section will include information on:

- The general principles and bases of the compensation policy.
- The most significant changes made to the compensation policy in comparison to the policy applied in the preceding fiscal year, together with any changes made during the year to the conditions for exercising previously-granted options.
- The criteria employed and the composition of the comparable groups of companies whose compensation policies were examined in order to fix the company's compensation policy.
- The relative importance of items of variable compensation in comparison to fixed items and the criteria followed to determine the different components of the Directors' compensation package (compensation mix).

#### Explain the compensation policy

According to article 24 of the By-Laws and article 18 of the Board of Directors Regulations, the position of director of Zardoya Otis, S.A. (the "**Company**") will be remunerated.

During 2015, the criteria for the director compensation policy were similar to those applied in 2014. Said policy was approved by the Board of Directors and submitted to a consultative ballot at the General Shareholders' Meeting of May 26, 2015. The principles of the compensation policy are:

#### 1. Director compensation (as stipulated in the By-Laws)

Said article 24 of the By-Laws fixes global remuneration consisting of a share of 1.5% of the consolidated profit after tax with the limit of 1% of the consolidated profit before tax. This amount can only be taken from the liquid profit (after tax) after the legal reserves and the reserves provided for in the By-Laws have been covered and a dividend of at least 10% of the paid-up share capital has been recognized in the shareholders' favour. ("**By-Law Stipulated Compensation**").

This compensation will be distributed among its members in the manner freely determined by the Board of Directors in each annual period, depending on the duties and responsibilities attributed to each director, whether they sit on any Board committees and other objective circumstances deemed relevant.

Furthermore, article 18 of the Board of Directors Regulations establishes the principles or criteria that should be taken into account when fixing the compensation of external directors. In particular, it states that this compensation will be the amount deemed necessary to remunerate the commitment, abilities and responsibility required by the position, although it must not be so high as to compromise their independence.

In this respect, in line with the general trend towards keeping Board of Director compensation stable, we must highlight that, as has been the case for several consecutive years, the Board itself has decided to limit the total amount of the By-Law stipulated compensation to 1,100,000 euros for 2015 (100,000 euros more than in 2014). This increase is due to the increase in the number of Company directors, approved by the Company's Ordinary General Shareholders' Meeting on May 26, 2015. The increase was calculated taking into account: (i) Mr José Miguel Andrés Torrecillas and Mr Patrick Blethon joined the Board; and (ii) they did so half way through the year, meaning that said directors were compensated for the six months during which they

held office (not for the entire year).

## 2. Compensation of the CEO

The compensation of the CEO (Mr Bernardo Calleja Fernández) for his executive duties in the Company is regulated in his contract with the Company, which was approved by at least two thirds of the Board of Directors (with the abstention of the CEO) and received a favourable report from the Nominating and Compensation Commission, in accordance with article 249 of the Capital Companies Law.

The items of compensation applicable for the different types of director in the Company are summarized in the following table:

Type	Number	Fixed compensation	Variable compensation	By-Law stipulated compensation	UTC long-term incentives plan
Executive director	1	YES	YES	N.A.	YES
Proprietary directors	7	N.A.	N.A.	YES	N.A.
Independent directors	2	N.A.	N.A.	YES	N.A.
Other external directors	1	N.A.	N.A.	YES	N.A.

The Board of Directors does not currently have any plans to change the decision-making process for drawing up the compensation plan (compensation mix) of the directors in forthcoming years.

The criteria applied by the Company to establish its compensation policy are consistent with those generally applied by other listed companies, as may be seen from the public reports “Boards of Directors of Listed Companies” of PwC of June 2015 and the “Spencer Stuart Index of Boards of Directors” for 2015.

Regarding the relative importance of the variable compensation items (as described in section A.4 below) in comparison with fixed components (as described in section A.3 below), it is necessary to highlight the fact that former represented 88.44% (80.3% in 2014) of the total.

A.2 Information on the preparatory work and decision-making process for determining the compensation policy and the role played, if applicable, by the Compensation Commission and other governing bodies in configuring the compensation policy. This information will include, if applicable, the mandate and composition of the Compensation Commission and the identity of any external advisors whose services were used to determine the compensation policy. Likewise, the classification of any directors who participated in defining the compensation policy must be stated.

<b>Explain the process for determining the compensation policy</b>
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### 1. The role of the Board of Directors

The Board of Directors approves the director compensation policy in the terms set forth by law and in the By-Laws, in accordance with article 3 of the Company’s Board of Directors Regulations. Likewise, the Board of Directors approves the CEO’s contract with the Company.

## **2. The role of the Nominating and Compensation Commission**

In accordance with the Capital Companies Law, article 529 quidecies, and the Board of Directors Regulations, article 12 B) 2 (j), the Nominating and Compensation Commission must:

- (a) propose the director compensation policy to the Board of Directors;
- (b) propose the compensation policy for the CEO to the Board of Directors, together with his individual compensation and other conditions of his contract; and
- (c) ensure the compensation policy is respected.

Likewise, the Nominating and Compensation Commission reported favourably on this Annual Compensation Report at its meeting of February 23, 2016. At the same meeting, the Nominating and Compensation Commission prepared a director compensation proposal for 2016.

At the end of 2015, the Nominating and Compensation Commission had the following composition:

<b>Name</b>	<b>Position</b>	<b>Type</b>
Mr Jose Maria Loizaga Viguri	Chairman	Independent
Mr Philippe Delpech	Deputy Chairman	Proprietary
Mr José Miguel Andrés Torrecillas	Member	Independent
Otis Elevator Company	Member	Proprietary
Mr Pierre Dejoux	Member	Proprietary

## **3. The role of the General Shareholders' Meeting**

Likewise, article 24 of the Company's By-Laws and article 529 novodecies of the Capital Companies Law state that the director compensation policy will be submitted for the approval of the General Shareholders' Meeting at least every three years, as a separate item on the Agenda. Said proposal of the compensation policy for the Board of Directors submitted to the General Meeting must contain the reasons therefor and be accompanied by a specific report from the Nominating and Compensation Commission. Both these documents will be made available to the shareholders on the Company's website as from the time when notice of the General Meeting is given. The shareholders may also ask for them to be given or sent to them free of charge.

Furthermore, the director compensation policy thus approved will remain in force during the three annual periods following the period in which it is approved by the General Meeting. Any amendment or replacement thereof during said period will require the prior approval of the General Shareholders' Meeting in accordance with the procedure established for its approval.

The final provision of Law 31/2014 of December 3, which amended the Capital Companies Law to improve corporate governance, states, in its Transitional Provision, that, in the event that the first Ordinary General Shareholders' Meeting held on or after January 1, 2015 were to approve, on a consultative basis, the director compensation report, the Company's compensation policy contained therein will be deemed to have likewise been approved.

Therefore, the 2014 Annual Director Compensation Report was submitted to the Ordinary General Shareholders' Meeting held on May 26, 2015 in a consultative ballot.

Likewise, the Ordinary General Shareholders' Meeting held on May 26, 2015 was informed that, given that the percentage applicable to determine the compensation of the members of the Board of Directors is fixed, it is not necessary for the Company's General Shareholders' Meeting to approve any maximum percentage in order to comply with the Law of Capital Companies, article 218.1.

#### 4. Other

During the annual period to which this report refers, the Company did not use the services of external advisors to determine the compensation policy for its directors and, consequently the Board of Directors itself, with the participation of all its members, and the Nominating and Compensation Commission are the bodies responsible for designing, approving and implementing the compensation policy, under the supervision of the General Shareholders' Meeting.

A.3 State the amount and nature of the fixed components, with details, if applicable, of the executive directors' compensation for performing senior management duties, any additional compensation for the chairman or members of any Board committees, the per diem allowances for attending meetings of the Board and its committees, or any other fixed compensation for directors, together with an estimate of the annual fixed compensation to which the foregoing give rise. Identify any other non-cash benefits and the basic parameters for granting them.

Explain the fixed components of the compensation
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As stated in Sections A.1 and A.2 above, only Mr Bernardo Calleja Fernández, the Company's Chief Executive Officer in 2015 and the Company's only executive director, received fixed compensation for carrying out executive duties. The fixed compensation, which, as stated in Section D.1 below, was 209,600 euros in 2015 and 192,500 euros in 2014. The CEO's contract with the Company was approved and the Board of Directors and a report was issued by the Nominating and Compensation Commission, in accordance with the provisions of the Capital Companies Law, article 249.

Additionally, In September 2010, a "Recharge Agreement" was signed with United Technologies Corporation (UTC). This Agreement considers the possibility that certain Zardoya Otis executives who are also considered to be UTC Group executives because they hold important management responsibilities should benefit, depending on their performance and the attainment of joint objectives of Zardoya Otis, Otis and United Technologies Corporation (UTC), from the UTC long-term incentive plan, which includes compensation plans based on UTC shares. The incentive plan allows Zardoya Otis to capture and retain highly-qualified members of management who provide important services to the Company and contribute to its success. The agreement is applicable to incentives awarded as from December 1, 2010.

In the period to which this report refers, the effect of this plan for the directors represented a sum of 321.3 thousand euros (321.8 thousand euros in 2014).

Lastly, the contribution to the defined-contribution pension plan that the Company holds for the Chief Executive Officer, Mr Bernardo Calleja Fernández, must be included in the fixed components of director compensation. In 2015, this was 47,000 euros and 41,000 euros in 2014.

There is no extra compensation for holding the position of Chairman, no other bodies have been delegated by the Board of Directors (apart from the CEO) and no per diem expenses are distributed for attending Board meetings or meetings of the Nominating and Compensation Commission or Audit Committee. Notwithstanding, the duties and responsibilities attributed to each director, as well as whether they sit on Board committees and other objective circumstances deemed relevant will be taken into account when distributing the compensation among the directors.

#### A.4 Explain the amount, nature and principal characteristics of the variable components of the compensation systems.

In particular:

- Identify each one of the compensation plans of which the directors are beneficiaries, the scope thereof, its date of approval, its date of implementation, the term for which it is in force and its main features. In the case of stock option plans and other financial instruments, the general features of the plan must include information on the conditions for exercising said options or financial instruments for each plan.
- State any compensation that originates from profit-sharing or bonuses and the reason why it is awarded.
- Explain the basic parameters and grounds for any annual bonus system.
- The types of director (executive directors, external proprietary directors, external directors, external independent directors or other external directors) that are the beneficiaries of compensation systems or plans that include variable compensation.
- The basis of said variable compensation systems or plans, the criteria chosen for evaluating performance and the evaluation components and methods used to determine whether or not said evaluation criteria have been met, as well as an estimate of the total amount of variable compensation to which the current compensation plan would give rise, depending on the degree to which the assumptions or objectives taken as a reference are met.
- If applicable, state the periods for which an already-established payment may be deferred or delayed and/or the periods for which shares or other financial instruments, if any, may be retained.

<b>Explain the variable components of the compensation systems</b>
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As stated in section A.1 above, article 24 of the By-Laws stipulate compensation subject to certain quantitative limits, which is subsequently distributed by the Board of Directors among its members on the basis of certain criteria. This compensation policy is not in force for a specific period and, therefore, will remain in force until: (i) the Board of Directors approves a different compensation; or (ii) the General Shareholders' Meeting approves a different compensation.

In addition, we must highlight the fact that the Board of Directors unanimously adopted the following decisions at its meeting of July 28, 2015:

(A) To limit the total amount of the compensation stipulated in the By-Laws to 1,100,000 euros;

(B) To delegate the distribution of the By-Law stipulated compensation among the Company's directors to the Chairman of the Board, depending on the duties and responsibilities attributed to each director, as well as whether they sit on Board commissions, and other objective circumstances deemed relevant.

(C) Payment, at the end of the first six months of 2015, of 500,000 euros on account of the By-Law stipulated compensation.

By-Law stipulated compensation is fixed in accordance with the Company's profits, while the variable compensation for the Chief Executive Officer is based on the behaviour of the annual financial statements and other non-financial objectives. The variable compensation is payable in the following annual period, once the annual financial statements have been approved by the Board of Directors.

Lastly, it is necessary to consider that:

(A) Regarding the types of director who benefit from the variable compensations systems, please see the chart summarizing the applicable items of compensation in accordance with the classification of the Company's directors in Section A.1 above, in relation to the applicable items of compensation in accordance with the Company's types of director.

(B) The basis of the variable compensation system and the methods for assessing performance used by the Company to distribute it may be found in the aforementioned articles 24 of the By-Laws and 18 of the Board of Directors Regulations.

(C) No periods of deferral or delay in payment of the compensation of the members of the Company's Board of Directors have been established

A.5 Explain the principal features of the long-term saving systems, including retirement and any other survivor benefits, financed fully or in part by the company, irrespective of whether the provision is made internally or externally, with an estimate of the amount thereof or equivalent annual cost, stating the type of plan, whether it is a defined-contribution or defined-benefit plan, the conditions under which the economic rights are consolidated in favour of the directors and its compatibility with any kind of indemnity for early rescission or termination of the contractual relationship between the company and the director.

Also state the contributions made in the director's favour to defined-contribution pension plans or the increase in the director's consolidated rights in the case of contributions to defined-benefit plans.

**Explain the long-term saving systems**

The defined-contribution pension plan contributions that the Company has made for its CEO, Mr Bernardo Calleja Fernández, the amount of which was 47,000 euros in 2015 and 41,000 euros in 2014.

A.6 State any indemnities agreed or paid in the event that a director ceases to hold office as such.

**Explain the indemnities**

Director compensation does not include any guarantee or golden parachute clauses, notice periods, or non-competition, exclusivity, continuity or loyalty agreements, or post-contractual non-competition covenants or agreements in the event that a director ceases to hold office as such.

A.7 State the conditions that must be observed by the contracts of those who perform senior management duties as executive directors. Among others, information must be included on the term, the limits on the amounts of any indemnity, continuity clauses, notice periods and/or any other clauses relating to hiring bonuses, as well as indemnities or golden parachutes for the early rescission or termination of the contractual relationship between the company and the executive director. Include, among others, any no-compete, exclusivity, continuity, loyalty or post-contractual non-competition clauses or agreements.

**Explain the contract conditions of the executive directors**

The contract of the CEO (Mr Bernardo Calleja Fernández) received a favourable report from the Nominating and Compensation Commission and was approved by at least two thirds of the Board of Directors (with the abstention of the CEO), in accordance with articles 249 and 529 quincecies of the Capital Companies Law.

The specific conditions contained in this contract are as follows:

- Term: for as long as Mr Bernardo Calleja Fernández is the CEO of the Company.
- Indemnity for early dismissal or termination by the Company: 45 days' compensation per year from he was appointed as the Company's CEO (i.e. February 14, 2012) until the date of termination of the contract.
- Exclusivity agreement: during the time the contract is in force, unless he has the express prior authorization of the Board of Directors, Mr Bernardo Calleja Fernández will work exclusively for the Company and, if necessary, for any other UTC Group company.
- Continuity or loyalty agreement: none

**A.8 Explain any supplementary compensation accrued by the directors in consideration for the services rendered other than those inherent to the position.**

**Explain the supplementary compensation**

With the exception of the Chief Executive Officer, the only executive director of the Company, none of the other members of the Board of Directors have rendered services to the Company other than those inherent to their positions. Please see Section A.3 above regarding the specific characteristics of this supplementary compensation received by the Chief Executive Officer for this reason.

**A.9 State any compensation in the form of advances, credits, guarantees granted, mentioning the interest rate, their basic features and any amounts that may be repayable, as well as any obligations acquired on the directors' behalf as a guarantor.**

**Explain the advances, credits and guarantees granted**

As mentioned in Section A.4 above, the Board of Directors agreed the payment on account, at the end of the first six months of 2015, of 500,000 euros on account of the By-Law stipulated remuneration.

The Company has not awarded any compensation to the directors in the form of credits or guarantees on their behalf. The Audit Committee reported favourably on said advance payment, taking into account that: (i) the Company had sufficient funds; (ii) on the latest statement of financial position, dated November 30, 2014, the needs of the legal reserve and the By-Law stipulated reserve were fully covered; and (iii) the meeting of the Board of Directors held on March 24, 2015 approved payment of the first interim dividend charged to the 2015 profit for a gross amount of 0.085 euros per share with a par value of 0.10 euros, which was paid on April 10, 2015.

The Company has not granted any compensation to the directors in the form of credits or guarantees.

**A.10 Explain the main features of any compensation in kind.**

**Explain the compensation in kind**

The Company has not awarded any compensation in kind to the directors (except for the pension plan in favour of the CEO).

**A.11 State any compensation accrued by a director due to the payments made by the listed company to another company to which the director provides his/her services, when said payments are intended to remunerate the director's services to the company.**

**Explain any compensation accrued by a director due to the payments made by the listed company to another company to which the director provides his/her services**

As shown in the chart included in Section D.1 below, some of the proprietary directors



do not receive the above mentioned By-Law stipulated compensation, which is, instead, received by Otis Elevator Company on their behalf.

A.12 Any other item of compensation apart from the foregoing, irrespective the nature thereof or the group company that settles it, especially when it is classified as a related-party transaction or payment thereof distorts the accurate picture of the total compensation accrued by the director.

**Explain the other items of compensation**

No compensation items are settled by Group entities other than those explained above.

A.13 Explain the measures adopted by the company in relation to the compensation system in order to reduce exposure to excessive risks and adjust it to the company's long-term objectives, values and/or interests. This will, if applicable, include mention of: preventive measures to ensure that company's long-term results are taken into account in the compensation policy, any measures that establish an appropriate balance between the fixed and variable compensation components, measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile, repayment formulas or clauses to enable the company to claim the return of any results-based variable compensation components when said components were paid on the basis of figures that have since clearly been shown to be inaccurate, and, if applicable measures in place to avoid conflicts of interest.

**Explain the actions adopted to reduce risks**

The current composition of the Board of Directors (63.64% of its members were proprietary directors in 2015 and 67% were proprietary directors in 2014) guarantees that the director compensation policy takes the results that should be obtained by the Company in the long term into account.

Thus, with the sole exception of the executive director, who receives additional fixed compensation for performing executive duties in the Company, the compensation of the Board of Directors is variable in its entirety and, therefore, is based on the Company's results. Furthermore, the quantitative limits contained in the Company's By-Laws and Board of Directors Regulations help to necessarily link director compensation to the Company's best long-term interests. Likewise the compensation policy is approved by the Board, subsequent to a report from the Nominating and Compensation Commission, and is submitted to the Company's General Shareholders' Meeting.

In addition, the Group is studying the implementation of specific measures to:

- (A) ensure the limitation of the risk in relation to those categories of personnel whose professional activities have a significant impact on the entity's risk profile;
- (B) allow the return of the variable results-based components to be claimed when such components have been settled on the basis of data that have later been manifestly shown to be inaccurate; and
- (C) avoid conflicts of interest (derived from the Group's internal control system).

## **B COMPENSATION POLICY PLANNED FOR FUTURE YEARS**

B.1 Explain the general plan for the compensation policy for future years that describes said policy in respect of: fixed components, per diem allowances and variable compensation, relationship between the compensation and the results, forecasting systems, contract conditions of executive directors and plans for the most significant changes in the compensation system in comparison with preceding years.

**General compensation policy plan**

The Company's Board of Directors has not, to date, considered reviewing the compensation policy established in article 24 of the By-Laws and article 18 of the Board of Directors Regulations for forthcoming years.

In the opinion of the members of the Board, the compensation policy that exists is the most appropriate, taking current economic circumstances into account, combined with the principle of moderation that has always guided the compensation policy applied by the Company. In this respect, the Board of Directors' decision to limit the total amount of the By-Law stipulated compensation to 1,100,000 euros for the period 2015 particularly relevant.

As stated above, the amount is 100,000 euros higher than in 2014, due to the increase in the number of directors of the Company approved by the Company's Ordinary General Shareholders' Meeting on May 26, 2015.

At any event, in accordance with the Transitional Provision of Law 31/2014, if the 2016 Ordinary General Shareholders' Meeting approves this report in a consultative ballot, the Company's compensation policy set forth herein will be deemed to have been approved for the years 2017 and 2018.

**B.2 Explain the decision-making process to configure the compensation policy planned for future years and the role played, if applicable, by the Compensation Commission.**

**Explain the decision-making process to configure the compensation policy**

As already indicated in Section B.1 above, the Board of Directors does not currently intend to review the compensation policy. In the event that it were necessary to initiate a decision-making process to fix the compensation policy, the procedure described in paragraph A.2 above would be followed

In this respect, we mention the fact that the Company expanded the duties that had been carried out to date by the Nominating and Compensation Commission, in order to include the duties set forth in article 529 quidecimes of the Capital Companies Law in relation to the compensation of the members of the Company's Board of Directors. Therefore, since last year, it has proposed to the Board of Directors the compensation policy for directors, general managers or those who carry out senior management duties reporting directly to the Board, executive commissions or the Chief Executive Officer, as well as the individual compensation and other contractual conditions of executive directors, ensuring they are met.

The foregoing does not affect any changes in the Company's compensation policy that may, if applicable, have to be adopted in the future to adapt it to any changes there may be in the current composition of the Company's Board of Directors.

**B.3 Explain the incentives created by the company in the compensation system to reduce exposure to excessive risks and adjust said system to the company's long-term objectives, values and interests.**

**Explain the incentives created to reduce risk**

Regarding incentives created by the Company in the compensation system to reduce risk exposure, please see Section A.13 above.

**C OVERVIEW OF THE IMPLEMENTATION OF THE COMPENSATION POLICY IN THE YEAR ENDED**

**C.1 Summarize the main features of the structure and items of the compensation policy applied in the year ended that gave rise to the details of the individual compensation accrued by each one of the directors shown in section D of this report, as well as a summary of the decisions made by the Board for application of said items.**

**Explain the structure and items of the compensation policy applied in the year**

The following is a summary of the structure and items of the Company's director compensation policy applied to the members of the Company's Board of Directors in 2015, including the amounts of the compensation for 2013 and 2014.

As stated above, the structure of the director compensation policy may be divided into: (i) those items of compensation that comprise the fixed income received by the members of Company's Board of Directors, which is only applicable to the Chief Executive Officer, the main features and procedure for application of which are described in Section A.3 above; (ii) the compensation stipulated in the By-Laws, the main features and procedure for application of which are described in Section A.1 above.

For further clarification, in addition to the chart describing the individual compensation accrued by each one of the directors as set forth in Section D.1 below, the breakdown of the compensation by item (in thousands of euros) for the years 2013, 2014 and 2015 may be summarized as follows:

<b>Compensation item</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Fixed compensation</b>	210	192	174
<b>Variable compensation</b>	140	90	68
<b>By-Law stipulated compensation</b>	1,100	1,000	1,000
<b>Cash compensation</b>	<b>1,450</b>	<b>1,282</b>	<b>1,242</b>
<b>Other compensation items</b>	368	363	126
<b>TOTAL</b>	<b>1,818</b>	<b>1,645</b>	<b>1,368</b>

## D DETAILS OF INDIVIDUAL COMPENSATION ACCRUED BY EACH DIRECTOR

Name	Type of director	Accrual period 2015
MARIO ABAJO GARCIA	Other external	From Dec. 1, 2014 to Nov. 30, 2015
OTIS ELEVATOR COMPANY	Proprietary	From Dec. 1, 2014 to Nov. 30, 2015
PIERRE DEJOUX	Proprietary	From Dec. 1, 2014 to Nov. 30, 2015
EURO-SYNS S.A.	Proprietary	From Dec. 1, 2014 to Nov. 30, 2015
ALBERTO ZARDOYA ARANA	Proprietary	From Dec. 1, 2014 to Nov. 30, 2015
JOSE MARIA LOIZAGA VIGURI	Independent	From Dec. 1, 2014 to Nov. 30, 2015
BERNARDO CALLEJA FERNANDEZ	Executive	From Dec. 1, 2014 to Nov. 30, 2015
MARK GEORGE	Proprietary	From Dec. 1, 2014 to Nov. 30, 2015
PHILIPPE DELPECH	Proprietary	From Dec. 1, 2014 to Nov. 30, 2015
BLETHON, PATRICK	Proprietary	From May 26, 2015 to Nov. 30, 2015
ANDRES TORRECILLAS, JOSE MIGUEL	Independent	From May 26, 2015 to Nov. 30, 2015

D.1 Complete the following charts on the individual compensation of each one of the directors (including compensation for performing executive duties) accrued during the year.

a) Compensation accrued in the company to which this report refers:

**Cash compensation (in thousands of €)**

Name	Salaries	Fixed compensation	Per Diem	Short term variable compensation	Long term variable compensation	Compensation for membership of committees of the board	Indemnities	Other items	Total 2015	Total 2014
EURO-SYNS S.A.	0	0	0	50	0	0	0	0	50	50
MARIO ABAJO GARCIA	0	0	0	200	0	0	0	0	200	200
JOSE MARIA LOIZAGA VIGURI	0	0	0	200	0	0	0	0	200	200

Name	Salaries	Fixed compensation	Per Diem	Short term variable compensation	Long term variable compensation	Compensation for membership of committees of the board	Indemnities	Other items	Total 2015	Total 2014
OTIS ELEVATOR COMPANY	0	0	0	550	0	0	0	0	550	500
ALBERTO ZARDOYA ARANA	0	0	0	50	0	0	0	0	50	50
ANDRES TORRECILLAS, JOSÉ MIGUEL	0	0	0	50	0	0	0	0	50	0
BERNARDO CALLEJA FERNANDEZ	210	0	0	140	321	0	0	41	718	645

**ii) Share-based compensation systems**

**iii) Long-term saving systems**

Name	Company's contribution for the period (thousands of €)		Amount of accumulated funds (thousands of €)	
	Period 2015	Period 2014	Period 2015	Period 2014
BERNARDO CALLEJA FERNANDEZ	47	41	377	322

**b) Compensation accrued by directors of the company from sitting on Boards of Directors of other group companies**

**i) Cash compensation (thousands of €)**

Name	Salaries	Fixed compensation	Per Diem	Short term Variable compensation	Long term variable compensation	Compensation for membership of committees of the board	Indemnities	Other compensation	Total 2015	Total 2014
EURO-SYNS S.A.	0	0	0	0	0	0	0	0	0	0
BERNARDO CALLEJA FERNANDEZ	0	0	0	0	0	0	0	0	0	0
MARIO ABAJO GARCIA	0	0	0	0	0	0	0	0	0	0
JOSE MARIA LOIZAGA VIGURI	0	0	0	0	0	0	0	0	0	0
ALBERTO ZARDOYA ARANA	0	0	0	0	0	0	0	0	0	0
OTIS ELEVATOR COMPANY	0	0	0	0	0	0	0	0	0	0
ANDRES TORRECILLAS, JOSÉ MIGUEL	0	0	0	0	0	0	0	0	0	0

**ii) Share-based compensation systems**

**iii) Long-term saving systems**

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

The summary must include the amounts for all the items of compensation included in this report that were accrued by the director, in thousands of euros.

In the case of long-term saving systems, the contributions or provisions made to systems of this nature must be included:

Name	Compensation accrued in the company				Compensation accrued in group companies				Total		
	Total cash compensation	Amount of shares awarded	Gross profit on options exercised	Total 2015 Company	Total cash compensation	Amount of shares awarded	Gross profit on options exercised	Total 2015 Group	Total 2015	Total 2014	Contribution to saving systems in the period
BERNARDO CALLEJA FERNANDEZ	718	0	0	718	0	0	0	0	718	645	47
JOSE MARIA LOIZAGA VIGURI	200	0	0	200	0	0	0	0	200	200	0
ALBERTO ZARDOYA ARANA	50	0	0	50	0	0	0	0	50	50	0
EURO-SYNS S.A.	50	0	0	50	0	0	0	0	50	50	0
MARIO ABAJO GARCIA	<b>200</b>	0	0	<b>200</b>	0	0	0	0	200	200	0
OTIS ELEVATOR COMPANY	550	0	0	550	0	0	0	0	550	500	0
ANDRES TORRECILLAS, JOSÉ MIGUEL	50			50					50		
<b>TOTAL</b>	<b>1,818</b>	<b>0</b>	<b>0</b>	<b>1,818</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,818</b>	<b>1,645</b>	<b>47</b>



D.2 Describe the relationship between the compensation obtained by the directors and the results or other measurements of the company's performance, explaining, if applicable, how variations in the company's performance may have affected the variation in the directors' compensation.

With the sole exception of the executive director, who receives additional fixed compensation for performing executive duties in the Company, the compensation of the Board of Directors is variable in its entirety and, therefore, based on the Company's results. Furthermore, the quantitative limits contained in the Company's By-Laws and Board of Directors Regulations have necessarily determined that director compensation is linked to the Company's best long-term interests.

In addition to said quantitative limits, as mentioned in Section A.4 above, at its meeting of July 28, 2015, the Board of Directors unanimously resolved to limit the total amount of the By-Law stipulated compensation to 1,100,000 euros.

D.3 State the result of the consultative ballot at the General Shareholders' Meeting on the annual compensation report for the preceding year, giving the number of votes against, if any.

	Number	% of total
Votes issued	310,420,636	71.37%

	Number	% of total
Votes against	19,985,143	6.44%
Votes in favour	290,434,670	93.56%
Abstentions	823	0.00%

## E OTHER INFORMATION OF INTEREST

If there is any other important matter concerning director compensation that it has not been possible to include in other sections of this report but that it is necessary to include to provide more complete and substantial information on the company's compensation structure and practices in relation to its directors, give a brief description thereof.

This annual compensation report was approved by the Company's Board of Directors at its meeting of February 23, 2016.

State whether any directors have voted against the approval of this report or abstained in relation thereto.

Yes

No X

The Company is analysing the recommendations (including those concerning the director remuneration policy) contained in the Code of Good Governance for Listed Companies published by the National Securities Market Commission on February 18, 2015.

The Board of Directors will propose the adoption of a significant number of the recommendations to the Company's General Shareholders' Meeting to be held in May 2016.

National Securities Market Circular 7/2015 of December 22, whereby Circular 5/2013 was amended, was published on December 30, 2015. However, according to its sole final

provision (entry into force), it will be applicable to the reports the Company files for periods ending as from December 31, 2015. In conclusion, it will be applicable to the Annual Remuneration Reports that the Company must prepare for the 2016 reporting period onwards.

In view of the foregoing, the Annual Remuneration Report for 2016 will report on compliance with the recommendations of the Code of Good Governance.