ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

ISSUER IDENTIFICATION

YEAR-END DATE 31/12/2018

Tax ID number A-86212420

Company name:

AENA. S.M.E., S.A.

Registered office:

PEONÍAS, 12, MADRID

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED PUBLIC LIMITED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table regarding the share capital of the company:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
11/02/2015	1,500,000,000	150,000,000	150,000,000

Remarks

State whether there are different classes of shares with different associated rights:

Yes ☐ **No** X

Class	Number of shares	Par value	Number of votes	Associated rights

Remarks

A.2 Give a breakdown of the company's significant direct and indirect shareholders at year-end, excluding any directors:

Name or company name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
ENAIRE	51%	0	0	0	51%
HOHN, CHRISTOPHER ANTONY	0	4.687%	0	3.607%	8.294%

DEUTSCHE BANK, A.G.	2.129%	0	2.263%	0	4.392%
MASSACHUSETTS FINANCIAL SERVICES COMPANY	0	3.053%	0	0	3.053%
THE CHILDREN'S INVESTMENT MASTER FUND	0	0	0	3.607%	3.607%

Remarks
On 1 February 2019, Capital Research and Management Company indirectly acquired 4,821,088 Aena, S.M.E., S.A., shares through various funds, which is 3.214% of the share capital.

Breakdown of the indirect holding:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
HOHN, CHRISTOPHER ANTONY	TALOS CAPITAL DESIGNATED ACTIVITY COMPANY, TCI LUXEMBOURG SARL AND THE CHILDREN'S INVESTMENT MASTER FUND	4.687%	3.607%	8.294%
MASSACHUSETTS FINANCIAL SERVICES COMPANY	VARIOUS ENTITIES CONTROLLED BY MASSACHUSETTS FINANCIAL SERVICES COMPANY	3.053%	-	3.053%

Remarks

State the most significant shareholder structure changes during the financial year:

Name or company name of shareholder	Date of operation	Description of operation
TCI ADVISORY SERVICES LLP	20/03/2018	Decrease in its shareholding to below 3%
TALOS CAPITAL	20/03/2018	Decrease in its shareholding to below 3%
HSBC	25/04/2018	Sale of its entire holding (decrease in its shareholding to below 3%)
CHRISTOPHER ANTHONY HOHN	16/05/2018	Threshold decrease of 10% of the aggregate position. Decrease in the threshold of 5% of voting rights attributed to shares.
TCI LUXEMBOURG, S.A.R.L.	16/05/2018	Decrease in its shareholding to below 3%
MASSACHUSETTS FINANCIAL SERVICES COMPANY	20/09/2018	Acquisition of a shareholding above 3%

Most significant movements
On 1 February 2019, Capital Research and Management Company indirectly acquired 4,821,088 Aena, S.M.E., S.A., shares through various funds, which is 3.214% of the share capital.

A.3 In the following tables, list the members of the Board of Directors of the company with voting rights in the company:

Name or company name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights <u>that can be transmitted</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
TCI ADVISORY SERVICES LLP through CHRISTOPHER ANTHONY HOHN	0	4.687%	-	3.607%	8.294%	-	-

% of total voting rights held by the Board of Directors	8.294

Remarks

Details of the shareholding:

Name or company name of director	Name or company name of the direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments
TCI ADVISORY SERVICES LLP through CHRISTOPHER ANTHONY HOHN	THE CHILDREN'S INVESTMENT MASTER FUND		**3.607**	**3.607**	
TCI ADVISORY SERVICES LLP through CHRISTOPHER ANTHONY HOHN	TALOS CAPITAL DESIGNATED ACTIVITY COMPANY	**2.234**		**2.234**	
TCI ADVISORY SERVICES LLP through CHRISTOPHER ANTHONY HOHN	TCI LUXEMBOURG, S.A.R.L.	**2.453**		**2.453**	

Remarks
TCI Advisory Services LLP is controlled by Christopher Anthony Hohn. The Children's Investment Master Fund, TCI Luxembourg s.à.r.l and Talos Capital Designated Activity Company are managed by TCI Advisory Services LLP under investment contracts.

A.4 If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related party	Type of relationship	Brief description
HOHN, CHRISTOPHER ANTONY and THE CHILDREN'S INVESTMENT MASTER FUND	CORPORATE	THE CHILDREN'S INVESTMENT MASTER FUND is managed by TCI ADVISORY SERVICES LLP under investment contracts. TCI ADVISORY SERVICES LLP is controlled by Christopher A. Hohn.

A.5 If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Type of relationship	Brief description
AENA, S.M.E., S.A. and ENAIRE	**CORPORATE AND CONTRACTUAL**	**ENAIRE owns 51% of AENA shares. They also have a contractual relationship as the holder of contracts derived from the Company's ordinary course of business and the assignment of use of the Arturo Soria Building and also an Agreement for the organisation of an exhibition to mark the 40th anniversary of the Spanish Constitution.**

A.6 Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal entities.

Explain if applicable how the significant shareholders are represented. Specifically, state the directors appointed to represent significant shareholders, ones whose appointment was proposed by significant shareholders or that were related to significant shareholders and/or companies in their group and specify the nature of such relationships. In particular mention the existence, identity and post of members of the board of directors, or proxies of directors, of the listed company who, or their proxies, are in turn members of the board of directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or proxy	Name or company name of the related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MAURICI LUCENA BETRIU	ENAIRE	ENAIRE	**Chairman of Aena**
ÁNGEL LUIS ARIAS SERRANO	ENAIRE	ENAIRE	**General Manager of Enaire**
FRANCISCO FERRER MORENO	ENAIRE	ENAIRE	**Director of the Cabinet of the State Secretary**

			for Infrastructure, Transport and Housing of the Ministry of Public Works
MARTA BARDÓN FERNÁNDEZ-PACHECO	ENAIRE	ENAIRE	**Deputy Director General of Sector Analysis in the Ministry of Economic and Business Affairs**
ANGÉLICA MARTÍNEZ ORTEGA	ENAIRE	ENAIRE	**Technical Secretary General in the Ministry of Public Works and Director of Enaire**
PILAR ARRANZ NOTARIO	ENAIRE	ENAIRE	**Adviser to the Minister of Public Works Ministry of Public Works**
JUAN IGNACIO DÍAZ BIDART	ENAIRE	ENAIRE	**Cabinet Director at the Ministry of Industry, Trade and Tourism**
FRANCISCO JAVIER MARTÍN RAMIRO	ENAIRE	ENAIRE	**Director General of Architecture, Housing and Land Ministry of Public Works**
CHRISTOPHER ANTHONY HOHN	TALOS CAPITAL DESIGNATED ACTIVITY COMPANY, TCI LUXEMBOURG SARL AND THE CHILDREN'S INVESTMENT MASTER FUND	TCI ADVISORY SERVICES	**Partner and Director of Portfolio Management at TCI ADVISORY (UK) LLP**

Remarks

A.7 State whether the company has been notified of any shareholders' agreements which may affect it in pursuant to articles 530 and 531 of the Corporate Enterprises Act. If so, describe these agreements and list the party shareholders:

Yes ☐ **No** X

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of the agreement, if applicable

Remarks

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes X **No**

Parties to the concerted action	Percentage of affected shares	Brief description of the agreement	Date of termination of the agreement, if applicable
TCI ADVISORY SERVICES LLP, TCI LUXEMBOURG, S.A.R.L. and TALOS CAPITAL DESIGNATED ACTIVITY COMPANY	4,687	TCI ADVISORY SERVICES LLP is the managing company of TCI LUXEMBOURG, S.A.R.L., and of TALOS CAPITAL DESIGNATED ACTIVITY COMPANY, owners of significant shareholdings in Aena, and as such the CNMV is informed of the allocation of voting rights to said companies.	

Remarks

If any of the aforementioned agreements or concerted actions have been modified or terminated during the financial year, please specifically state so:

A.8 State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, please identify them:

Yes ☒ **No** ☐

Name or company name
ENAIRE

Remarks
ENAIRE owns 51% of the share capital of AENA.

A.9 Complete the following tables with details of the company's treasury shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
0	0	0.00%

Remarks

(*) Through:

Name or company name of the direct shareholder	Number of direct shares
Total:	

Remarks

Explain any significant changes during the year:

Explain any significant changes

A.10 Provide a detailed description of the conditions and terms of the authority given to the board of directors by the shareholders' meeting to issue, repurchase or dispose of treasury shares.

The General Shareholders' Meeting held on 3 June 2015 authorised the derivative purchase of shares in AENA by the Company, or by companies in its group, in accordance with article 146 and related articles of the Corporate Enterprises Act, meeting the requirements and restrictions set forth in the legislation in force at any given time, all in accordance with the following terms:

- Acquisition types: Purchases may be made directly by the Company or indirectly via its group companies, and these may be formalised, once or several times, as a sale, swap or any other lawfully valid legal transaction.

- Maximum number of shares to be purchased: the nominal value of the shares to be purchased added, as the case may be, to those already held, whether directly or indirectly, shall not exceed the maximum percentage that is legally permitted at any given time.

- Maximum and minimum exchange value: The price per share shall be no less than its nominal value and no more than the price listed on the Stock Exchange on the date of acquisition.

- Term of authorisation: This authorisation is granted for a term of five years.

In addition, and for the purposes of what is set forth in the second paragraph of letter a) of article 146.1 of the Corporate Enterprises Act, it is hereby expressly stated that express authorisation is granted for the acquisition of Company shares by any of its subsidiaries under the same terms as those abovementioned.

The authorisation also includes the purchase of shares which, as the case may be, must be directly delivered to the workers or officers of the Company or companies in its group, or as a result of the exercise of option rights which they may hold.

A.11 Estimated free float:

	%
Estimated free float	41.26%

Remarks

A.12 State whether there are any restrictions (bylaws, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may hinder an attempted takeover of the company through acquisition of its shares on the market and the systems for the prior authorisation or notification which may be applicable under sector regulations to acquisitions or transfers of the company's financial instruments.

Yes ☐ **No** X

Description of restrictions

A.13 State whether the general shareholders' meeting has agreed to adopt measures to neutralise a takeover bid pursuant to the provisions of Act 6/2007.

Yes ☐ **No** X

If so, please explain the measures approved and the terms under which such restrictions would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

A.14 State whether the company has issued securities that are not traded on a regulated European Union market.

Yes ☐ **No** X

If so, please state the various classes of shares and, for each class of share, the rights and obligations it carries.

State the various classes of shares

B GENERAL SHAREHOLDERS' MEETING

B.1 State and if applicable provide details about whether there are any differences

between the quorum system established in the Corporate Enterprises Act (LSC) and the quorum necessary to hold the general shareholders' meeting.

Yes ☐ **No** ☒

	% quorum different from that contained in Article 193 LSC for general issues	% quorum different from that contained in Article 194 LSC for the special cases in Article 194 LSC
Quorum required at 1st call		
Quorum required at 2nd call		

Description of differences

B.2 State whether there are any differences in the way the company adopts corporate resolutions compared to the system described by the LSC, and if so explain them:

Yes ☐ **No** ☒

Describe how it is different from the system in the LSC.

	Qualified majority different from the one in Article 201.2 LSC for Article 194.1 LSC cases	Other matters requiring a qualified majority
% established by the company for adoption of resolutions		

Describe the differences

B.3 State the rules for amending the company's Bylaws. In particular, state the majorities required to amend the Company's Bylaws and any provisions in place to protect shareholders' rights in the event of amendments to the Bylaws.

Amendment of the Company's Bylaws is regulated in articles 14.(iv), 17.4, 25.5 and 27.2 of the Company Bylaws and 8.(iv), 13.3, 42.2 and 43.3 of the Regulations of the General Shareholder's Meeting. The system contained in these articles replicates that set forth in the Corporate Enterprises Act.

The General Shareholders' Meeting will decide on the matters attributed to it by the Act, by the Company Bylaws (art. 14) and by the Regulations of the General Shareholder's Meeting (art. 8)

In order to reach a valid agreement on a capital increase or reduction and any other modification of the Company's Bylaws, the issue of bonds, the suppression or limitation of the preferential purchase right over new shares, as well as the transformation, merger, spin-off or global assignment of assets and liabilities and the transfer of the address abroad, if the capital present or represented exceeds fifty percent (50%), an adoption of the agreement by simple majority shall suffice. However, the vote in favour of two thirds (2/3) of the capital present or represented at the General Shareholders' Meeting shall be required in the event of attendance at second summons of shareholders representing twenty-five percent (25%) or more of the subscribed capital with voting rights but under fifty percent (50%) (art. 25.5 of the Company Bylaws and art. 43.3 of the Regulations of the General Shareholder's Meeting).

When the General Shareholders' Meeting must discuss the modification of the Company Bylaws, and as well as the information required by law in each case, the meeting summons shall mention the right of all shareholders to examine at the corporate headquarters the full text of the proposed modification and report thereon and to request the delivery or free posting of such documents (art. 17.4 of Company Bylaws and art. 13.3 of the Regulations of the General Shareholder's Meeting).

In addition, each article or group of articles that are not interdependent must be voted on separately (art. 27.2 of Company Bylaws and 42.2 of the Regulations of the General Shareholders' Meeting).

B.4 Give details of attendance at General Shareholders' Meetings held during the financial year of this report and those of the two previous years:

	Details of attendance				
Date of General Shareholders' Meeting	**% physically present**	**% by proxy**	**% remote voting**		**Total**
			Electronic voting	**Other**	
28/06/2016	53.48%	19.41%	0.00%	0.00%	72.89%
Of which free float:	2.48%	11.7%	0.00%	0.00%	14.18%
25/04/2017	51.92%	30.50%	0.00%	0.00%	82.42%
Of which free float:	0.92%	19.51%	0.00%	0.00%	20.43%
10/04/2018	51.31%	30.01%	0.00%	0.00%	81.32%
Of which free float:	0.31%	19.02%	0.00%	0.00%	19.33%

Remarks

State whether any point on the agenda of the general shareholders' meetings during the year has not been approved by the shareholders for any reason.

Yes ☐ **No** X

Points on agenda not approved	% votes against (*)

(*) If non-approval of the point is for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6 State whether the Bylaws contain any restrictions requiring a minimum number of shares to attend general shareholders' meetings or to cast a remote vote:

Yes ☐ **No** X

Number of shares required to attend the general meeting	
Number of shares required to cast a remote vote	

Remarks

B.7 State whether it has been established that certain decisions other than those specified by law which entail acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for the approval of the general shareholders' meeting.

Yes ☐ **No** X

Explain the decisions other than those established by law that must be submitted to the general shareholders' meeting

B.8. State the address and way to access the company website containing the information on corporate governance and other information on general shareholders' meetings which must be made available to shareholders via the Company website.

Website: www.aena.es – "Shareholders and investors". Subsection on "Corporate Governance".

Information on corporate governance:

http://www.aena.es/csee/Satellite/Accionistas/en/Page/1237568522634/

Information available to shareholders:

http://www.aena.es/csee/Satellite/Accionistas/en/Page/1237573069075/1237568522634/

C COMPANY ADMINISTRATIVE STRUCTURE

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the company bylaws and the number set by the general meeting:

Maximum number of directors	**15**
Minimum number of directors	**10**
Number of directors set by the general meeting	**15**

Remarks

C.1.2 Complete the following table with the directors:

Name or company name of director	Representative	Category of director	Position on the Board	Date first appointed to the Board	Last re-election date	Method of selection for the Board	Date of birth
Lucena Betriu, Maurici		Executive	Chairman-Chief Executive Officer	16/07/2018	16/07/2018	Co-optation	22/12/1975
Arranz Notario, Pilar		Proprietary	Director	19/11/2012	16/10/2014	Extraordinary Meeting at which all shareholders are present or represented	02/03/1961
Arias Serrano, Angel Luis		Proprietary	Director	25/01/2018	25/01/2018	General Shareholders' Meeting	21/10/1960
Díaz Bidart, Juan Ignacio		Proprietary	Director	30/10/2018	30/10/2018	Co-optation	27/05/1975
Martín Ramiro, Francisco Javier		Proprietary	Director	25/10/2016	25/10/2016	General Shareholders' Meeting	19/04/1970

Martínez Ortega, Angélica		Proprietary	Director	16/07/2018	16/07/2018	Co-optation	17/06/1975
Ferrer Moreno, Francisco		Proprietary	Director	16/07/2018	16/07/2018	Co-optation	08/12/1962
Bardón Fernández-Pacheco, Marta		Proprietary	Director	27/11/2018	27/11/2018	Co-optation	06/05/1975
TCI Advisory Services LLP	Hohn, Christopher Anthony	Proprietary	Director	20/01/2015	20/01/2015	Extraordinary Meeting at which all shareholders are present or represented	27/10/1966
Acha-Orbea Echevarria, Juan Ignacio		Independent	Director	03/02/2012	16/10/2014	Extraordinary Meeting at which all shareholders are present or represented	01/07/1956
Fernandez-Cuesta Luca de Tena, Eduardo		Independent	Coordinator director	16/10/2014	16/10/2014	Extraordinary Meeting at which all shareholders are present or represented	06/08/1962
Piqué Camps, Josep		Independent	Director	13/10/2017	13/10/2017	General Shareholders' Meeting	21/02/1955
Terceiro Lomba, Jaime		Independent	Director	03/06/2015	03/06/2015	General Shareholders' Meeting	30/04/1946
Bonet Ferrer, José Luis		Independent	Director	03/06/2015	03/06/2015	General Shareholders' Meeting	04/12/1941
López Seijas, Amancio		Independent	Director	03/06/2015	03/06/2015	General Shareholders' Meeting	01/03/1955

Total number of directors	**15**

State if any directors, whether through resignation, dismissal or for any other reason, have left the board of directors during the period subject to this report:

Name or company name of director	**Category of director at time of termination**	**Date of last appointment**	**Date of termination**	**Specialised committees of which they were a member**	**Indicate whether the director left before the end of the term of office**
García-Legaz Ponce, Jaime	Executive	16/10/2017	16/07/2018	Executive	Yes

Araúzo González, José María	Proprietary	16/10/2014	08/01/2018	ARC	Yes
Martinez Ramos e Iruela, Tatiana	Proprietary	16/10/2014	20/09/2018		Yes
Madrazo García de Lomana, Rodrigo	Proprietary	24/11/2014	27/08/2018	Audit	Yes
Segovia Marco, Alicia	Proprietary	25/04/2017	21/06/2018	Executive	Yes
Romero de Ávila Torrijos, Mª Jesús	Proprietary	25/04/2017	21/06/2018	Audit and Executive	Yes

Reason for leaving and other remarks
Resignations presented by the directors José Mª Araúzo, Tatiana Martínez, Rodrigo Madrazo, Alicia Segovia and Mª Jesús Romero de Ávila, all of them due to no longer holding the position they held in the Ministry, positions that justified their presence on the Board of Directors of the Company. The Board of Directors of AENA agreed at its meeting held on 16 July 2018 to remove Mr Jaime García-Legaz from his posts as Chairman and Chief Executive Officer of the Board of Directors of the Company in accordance with the proposal by the majority shareholder concerning a new chairman for the Company. Likewise, on the same date Mr Jaime García-Legaz announced his resignation as Executive Director due to the proposal for a new chairman made by the majority shareholder. Events after 31 December 2018: Resignation presented by the independent director Mr Josep Piqué Camps, dated 4 January 2019, due to the accumulation of corporate responsibilities which occurred after he joined the Board and makes it difficult for him to exercise his duties as a director with the time and dedication required by a Company of the size and complexity of Aena. To fill the vacancy thus created, on 29 January 2019 Mr Josep Antoni Durán i Lleida was appointed an independent director by the co-optation procedure.

C.1.3 Complete the following tables on the board members and their various categories:

EXECUTIVE DIRECTORS

Name or company name of the director	Position in company organisation chart	Profile
MAURICI LUCENA BETRIU	CHAIRMAN-CHIEF EXECUTIVE OFFICER	He has a degree in Economic and Business Science (specialising in Economics) from Pompeu Fabra University (UPF) in Barcelona and a Master's in Economics and Finance from the Banco de España Centre for Monetary and Financial Studies (CEMFI). Before joining Aena he held various management positions in both the public and private sectors. They include economic consultant, General Manager at the Centre for the Development of Industrial Technology, Managing Director of Ingeniería de Sistemas para la Defensa de España, S.A., Chairman of the European Space Agency Board and Director of Equity and Prudential Management at Banco Sabadell.

Total number of executive directors	1
% of board membership	6.67%

Remarks

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of the director	Name or company name of significant shareholder he/she represents or has proposed his/her appointment	Profile
ÁNGEL LUIS ARIAS SERRANO	**ENAIRE**	Aeronautical Engineer with a Master's Degree in Business Administration. He has spent his career in various aeronautical organisations and companies and has also participated in and been a member of various working groups and international committees related to civil aviation. At Aena he has held the positions of Director of Strategic Planning, Assistant Director of the Chairman's Office, Director of Planning and Control, and Director of Strategy, Innovation and Sustainability. He is the Managing Director of ENAIRE and Chairman of the ATM Reference Centre for Research, Development and Innovation.

PILAR ARRANZ NOTARIO	ENAIRE	Degree in Modern and Contemporary History and a Master's in Business Administration. She is a senior government economist and trade specialist. The positions she has held throughout her career include Director of the National Institute of Public Administration, Director of Air Navigation Training and Studies at SENASA, various positions in the Ministry of Social Affairs and the Ministry of the Interior, at Aena as the head of the Air Navigation HR Planning division, Deputy Assistant Director of Personnel in the Ministry of Public Administration and Deputy Director of Human Resources Management in Correos y Telégrafos Since 2016 she has been an adviser to the Minister of Public Works.
FRANCISCO JAVIER MARTÍN RAMIRO	ENAIRE	Architect. He has 15 years of experience in the public sector, in Spanish Government organisations, in the areas of construction projects and works, property and real estate management, and cultural management and dissemination. At present he is Director General of Architecture, Housing and Land in the Ministry of Public Works. Previously he was Deputy General Director for Works in the Infrastructure and Facilities Unit at the Ministry of Culture, asset management department manager at the Ministry of Public Administration, and he was a senior technician at the Sub-directorate General for Government Construction Coordination, a part of the Directorate General for State Assets in the Ministry of Finance At present he is a member of the Board of Trustees of the ENAIRE Foundation.
ANGÉLICA MARTÍNEZ ORTEGA	ENAIRE	She has a degree in Law. She is is a senior government comptroller and auditor. She has more than 15 years of experience in the public sector in Spanish Government organisations in planning, supervision and control in various areas of public spending. Over the course of her career she has held various posts in the Comptroller General's Office and was a member of the Boards of Directors of CETARSA and RUMASA. At present she is the Technical Secretary General at the Ministry of Public Works.
FRANCISCO FERRER MORENO	ENAIRE	Degree in Economics and Business Science As an inspector and auditor of the Region of Murcia he has had a professional career in the State Administration Services and the Regional Government of Murcia. He is currently Director of the Cabinet of the State Secretary for Infrastructure, Transport and Housing. In 2018 he was appointed Director of the public business entity RENFE-Operadora. Previously he was Chief Delegate Inspector in the Department of Public Works and the Public Health Service Body of Murcia. He has also been head of the Accounting and Public Auditing Divisions of the Comptroller General's Office and

		Secretary of the Board of Directors of Caja de Ahorros de Murcia
JUAN IGNACIO DÍAZ BIDART	ENAIRE	Degree in Economics and a Master's in Business Administration, Management and Organisation He is an expert in tourism, market competition and public economy. He is currently Cabinet Director at the Ministry of Industry, Trade and Tourism. He was General Secretary and Manager of Marcas de Restauración, a member of Serving Europe and a member of the CEOE Assembly. He has also been a member of the Monitoring Commissions of various projects in collaboration with the Ministry of Agriculture and the AECOSAN and other stakeholders. He also served as treasurer of the Association of Institutional Relations Professionals.
MARTA BARDÓN FERNÁNDEZ-PACHECO	ENAIRE	She has a degree in Economics and a Certificate of Specialised Studies in European Economics. She is a senior government economist and trade specialist. With 15 years of experience in both the national and international public sector, she has held positions such as: consultant at the World Bank in the area of economic regulation and competition; adviser to the Spain representatives in the World Bank Board of Directors in Washington DC; adviser to the Chair of the National Competition Commission (CNC); advisory member of the Competition Directorate of the National Commission on Markets and Competition (CNMC); Deputy Director of the Information and Publications Division in the Directorate General for Investment and Information at the the Spanish Foreign Trade Institute (ICEX); and various positions in the Directorate General for Competition in the Ministry of Economy. At present she is Deputy Director General of Sector Analysis in the Directorate General for Economic Policy in the Ministry of Economic and Business Affairs.
TCI ADVISORY SERVICES, LLP. REPRESENTED BY CHRISTOPHER ANTHONY HOHN	TCI LUXEMBOURG, S.A.R.L. and TALOS CAPITAL LIMITED	Degree in Accounting and Business Economics in the UK. MBA at Harvard Business School. Founder of The Children's Investment Fund Management (UK) LLP, now called TCI Advisory Services LLP, where he currently works as a partner and director of portfolio management, a sector in which he already had previous experience. He is also a member of the boards of the following companies: TCI Fund Management Limited, TCI Fund Services (Finance) LLP (Member), The Children's Investment Fund Foundation (UK), TCI Fund Management (UK) Limited, TCI Fund Holdings Limited, TCI Fund Services (UK) Limited, The Children's Investment Master Fund, The Children's Investment Fund and The Children's Investment Fund (GP) Ltd.
Total number of proprietary directors		8

% of board membership	53.33%

Remarks

INDEPENDENT EXTERNAL DIRECTORS

Name or company name of the director	Profile
EDUARDO FERNANDEZ-CUESTA LUCA DE TENA	Degree in Law. MBA from the IE and Advanced Management Program at Harvard University. He has 25 years' professional experience in the property sector at C B Richard Ellis and became head of the company in Spain. In 2013 he was appointed Chairman in Spain of RICS (Royal Institution of Chartered Surveyors) and a member of the European Council. In addition, he was an independent director of Testa Inmobiliaria and of Testa Residencial Socimi, S.A. In 2015, he joined Grupo Arcano as partner and head of the Real Estate area. At Aena SME SA he also been coordinator director and chairman of the Appointments and Remuneration Committee.
JUAN IGNACIO ACHA-ORBEA ECHEVERRÍA	Degree in Economics. Master's in Business Administration. Over his career he has held leading posts including senior manager at Chemical Bank in Madrid and New York, head of Equities and Investment Funds at Bankinter, Managing Director and Chairman of BBVA Bolsa, S.V. and assistant general manager of BBVA, director of the Barcelona Stock Exchange and of IESE Madrid and an independent director on the Board of Directors of the listed company TPI Páginas Amarillas At present he is chairman of Equity Contraste Uno, director of the Spanish Institute of Financial Analysts (IEAF) and a director at Aena and Chairman of its Audit Committee in 2018.
AMANCIO LÓPEZ SEIJAS	He studied Business Studies and the General Business Management Programme at EADA. He is the Chairman and CEO of the companies in the group headed by Hoteles Turísticos Unidos, S.A., a company which he has led since its foundation in 1977. He is also Deputy Chairman of Exceltur, a

	member of the Turespaña Advisory Board, the Advisory Board at Catalan business association Foment del Treball, the Governing Board at Círculo de Economía, the Board of Directors of CEAL Ibérica, the Governing Board of the Barcelona Hotel Association and a member of the Tourism Board and co-president of the Tourism Commission at AMCHAM.
JAIME TERCEIRO LOMBA	Degree in Engineering and a PhD in Aeronautical Engineering Professor of Econometrics and Statistical Methods at the Complutense University of Madrid, where he has also held the position of Vice-Rector. The posts he has held over his career include General Manager of Expansion and General Manager of Planning and Investments at Banco Hipotecario de España, Executive Chairman of Caja de Madrid and Chairman of the Caja de Madrid Foundation Board of Trustees. He is currently an independent director of Bankinter and a member of the board of trustees of several foundations. He has been a member of Aena's Audit Committee and, in January 2019, he was appointed as its Chair.
JOSE LUIS BONET FERRER	Degree and PhD in Law. He has been a lecturer in Economic Policy and Public Treasury at the University Barcelona for 49 years. He is the chairman and a member of the Board of Directors at the Freixenet Group, the Chamber of Commerce of Spain, Alimentaria, Vila Universitaria SL and Hotel Campus, SL. He is president of The Leading Brands of Spain Association and The Leading Brands of Spain Forum Foundation. He is a member of the boards of trustees of the Conocimiento y Desarrollo (Knowledge and Development) Foundation, the EADA Foundation, the Foundation for Research on Wine and Nutrition and the Institute of North American Studies among others.
JOSEP PIQUÉ CAMPS	Law degree and PhD in Economic and Business Sciences. Lecturer in Economic Theory. In the public sphere he has been Minister of Industry and Energy, Minister Spokesperson of the Government, Minister of Foreign Affairs and Minister of Science and Technology, a Member of the Spanish Lower

	House of Parliament and Senator and President of the People's Party Parliamentary Group in the Parliament of Catalonia. In the private sphere he has been chairman of Ercros, Fertiberia and Erkimia, Vueling Airlines, and Deputy Chairman and CEO of OHL. He is currently a Director of SEAT, Volkswagen Navarra and Abengoa, Chairman of Industria de Turbopropulsores, S.A, and director and Deputy Chairman of Alantra Corporate Finance, director at Pasiphae International Consultant, S.L., and Chairman of Aviation Pasiphae, S.L. He is also Deputy Chairman of the Círculo de Empresarios and the Constitutional Spain Foundation, and Chairman of the Iberoamerican Business Foundation, CITPax and the Spain-Japan Council Foundation.
Total number of independent directors	6
% of total number of board members	40%

Remarks
On 4 January 2019 Mr Josep Piqué Camps resigned from his position as Director and to fill this vacancy Mr Josep Antoni Durán i Lleida was appointed as an independent director on 29 January 2019 using the co-optation procedure.

State whether any independent director receives from the company or from its group any amount or benefit for anything other than director's remuneration, or has or has had during the last year a business relationship with the company or any company in its group, whether in their own name or as a significant shareholder, director or senior manager of an organisation that has had or could have had such a relationship.

If so, include a statement by the Board explaining why it believes that the director in question can perform their duties as an independent director.

Name or company name of director	Description of relationship	Statement by the Board

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent and state their relationships whether with the company, its senior executives or its shareholders:

Name or company name of director	Reasons	Company, senior executive or shareholder to whom the director is related	Profile

Total number of other external directors	
% of total number of board members	

Remarks

State any changes in status that have occurred during the period for each director:

Name or company name of director	Date of change	Previous status	Current status

Remarks

C.1.4 Complete the following table with information regarding the number of female directors at the close of the last four financial years as well as the category of such female directors:

	Number of female directors				% of directors for each category			
	Financial year 2018:	Financial year 2017:	Financial year 2016:	Financial year 2015:	Financial year 2018:	Financial year 2017:	Financial year 2016:	Financial year 2015:
Executives	0	0	0	0	0%	0%	0%	0%
Proprietary	3	4	3	4	37.50%	50 %	37.50 %	50 %
Independent	0	0	0	0	0 %	0 %	0 %	0 %
Other external directors	0	0	0	0	0 %	0 %	0 %	0 %
Total:	3	4	3	4	20 %	26.67 %	20 %	26.67%

Remarks

C.1.5 State whether the company has diversity policies in relation to its Board of Directors in areas such as age, gender, disability, training and professional experience. Small and medium-sized enterprises as defined in the Audit Act will have to report at least the policy they have implemented in relation to gender diversity.

Yes☒ **No** ☐ **Partial policies** ☐

Should this be the case, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the financial year. Also state the specific measures adopted by the board of directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved.
In February 2016 the Director Candidate Selection Policy was approved. It seeks to ensure that proposed candidates are people who are honourable, suitable, with a solid reputation, competence, experience, qualification, training, availability and commitment to their role. It also strives to ensure that the selection of candidates achieves the right balance on the Board of Directors as a whole which enhances decision-making and brings plural points of view to the discussion of matters within its remit and also fosters diversity of knowledge, experiences and gender on the Board of Directors. In this respect and as a result of the vacancies occurring on the Board of Directors during 2018, the Appointments and Remuneration Committee has issued an opinion in favour of the appointment of five new directors who have been appointed by co-optation by the Board of Directors. These appointments were made taking into account the diversity objectives of the Board and specifically the ones concerning academic training and professional experience. Furthermore, two of the new directors are women who are also members of one of the Board's committees. At present women account for 20% of the total number of members of the Board of Directors of AENA, a percentage higher than the average for listed companies which at the end of 2017 stood at 18.9%. However, fresh efforts are to be made to achieve the target set in the Code of Good Governance Recommendations for 2020 of 30% of members of boards of directors being women. Aena is also continuing to ensure that in the future the Board will remain diverse in terms of its members' professional experience and age. Training has also been considered when assessing diversity on the Board. Accordingly training sessions have been held in 2018 for its members separately from Board meetings on different days and with external advisers and internal directors of the Company, as decided in the training plan for 2018, to cover issues which come up in the Board. In addition, and given that

there have been several changes in the membership of the Board of Directors this year, briefing sessions have been held for the new directors.

In late 2018 the Board of Directors approved the Training Plan for 2019. In addition to the training proposed for all the members of the Board, specialised training sessions have been scheduled for the members of each of the Committees and for any directors who may join the Board in 2019.

C.1.6 Describe any measures agreed by the appointments committee to ensure that selection procedures do not contain hidden biases which hinder the selection of female directors and that the company deliberately seeks out and includes women who meet the target professional profile among potential candidates and makes it possible to achieve a balance between men and women:

Explanation of measures
As noted above, section 7(b) of article 24 of the Regulation of the Board of Directors, establishes that the competencies of the Appointments and Remunerations Committee include setting a representation target for the least represented sex on the Board of Directors, setting guidelines as to how to achieve this target and reporting to the Board on gender diversity issues. Likewise, the Aena Director Candidate Selection Policy specifies that the Appointments and Remuneration Committee has to ensure that proposed candidates are people who are honourable, suitable, with a solid reputation, competence, experience, qualification, training, availability and commitment to their role. It also has to ensure that the selection of candidates achieves the right balance on the Board of Directors as a whole which enhances decision-making and brings plural points of view to the discussion of matters within its remit and also fosters diversity of knowledge, experiences and gender on the Board of Directors.

If there are few or no women directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of reasons
In 2018, the Appointments and Remuneration Committee has not proposed any candidates for independent director. The appointments the Board of Directors has made by co-optation are the result of the validation and analysis of the profile, experience and merits of the nominees for proprietary directors proposed by the majority shareholder. However, at the end of 2018 women make up 20% of the Board of Directors of AENA. This percentage is higher than the average for listed companies which the CNMV's Corporate Governance Report in 2017 for companies issuing securities admitted to trading on official secondary markets says is 18.9%.

C.1.7 Explain the conclusions reached by the appointments committee on verification of compliance with the director selection policy. In particular, state how this policy is helping to achieve the target that the number of female directors accounts for at least 30% of the total number of members of the board of directors by 2020.

Aena's Appointments and Remuneration Committee's annual report on verification of compliance with the director selection policy supports the selection of directors in 2018 inasmuch as all appointments were made following the parameters envisaged in the Director Candidate Selection Policy, such as the suitability, competence, experience, training, merits and commitment of the candidates, while also promoting diversity of knowledge, experience and gender on the Board of Directors.

As for the target that by 2020 the number of female directors represents at least 30% of the total number of members of the Board of Directors, the Board takes note of the need to continue working steadily to achieve this objective.

C.1.8 If applicable, explain the reasons why proprietary directors have been appointed at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Justification
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State whether the board has not met any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed If this is the case, explain the reasons why such requests have not been met:

Yes ☐ **No** X

Name or company name of shareholder	Explanation

C.1.9 State any powers delegated by the board of directors to directors or board committees:

Name or company name of the director or committee	Brief description
Executive Committee	Article 42 in AENA's Bylaws establishes that the board of directors shall establish a standing Executive Committee with all the powers inherent to the Board of Directors, except any that are considered non-delegable by law, applicable corporate governance regulations, the Bylaws or the Regulations of the Board of Directors. Likewise, Article 22 of the Regulation of the Board of Directors states that the Executive Committee shall have general decision-making capacity and consequently express delegation of all the powers held by the Board of Directors except any that are considered non-delegable by law, applicable corporate governance regulations, the Bylaws or this Regulation.
Chief Executive Officer	Article 15 of the Regulation of the Board of Directors says that the Chairman of the Board is the Chief Executive Officer of the Company and has all the powers that may be delegated by law or under the Bylaws or any determined by the Board of Directors of the Company.

C.1.10 Identify members of the board who are also directors, representatives of directors or officers in other companies in the group of which the listed company is a member:

Name or company name of director	Name of the group company	Position	Does he/she have executive functions?
MAURICI LUCENA BETRIU	AENA DESARROLLO INTERNACIONAL, S.M.E., S.A.	CHAIRMAN OF THE BOARD OF DIRECTORS	NO

Remarks

C.1.11 Provide details of any directors or representatives of legal entity directors of your company who are members of the board of directors or representatives of legal entity directors of other companies listed on official securities markets other than companies in your group which have been reported to the company:

Name or company name of director	Name of the Group company	Position
JAIME TERCEIRO LOMBA	BANKINTER, S.A.	DIRECTOR
JUAN IGNACIO ACHA–ORBEA	FLUIDRA, S.A.	DIRECTOR AND MEMBER OF ITS AUDIT COMMITTEE
JOSEP PIQUÉ CAMPS	ABENGOA, S.A.	DIRECTOR
JOSEP PIQUÉ CAMPS	ALANTRA CORPORATE FINANCE, S.A.	DIRECTOR

Remarks

C.1.12 State and explain if applicable whether the company has rules on the number of boards on which its directors may sit, and if so specify where this is regulated:

Yes X **No** ☐

Explanation of the rules and identification of the document where this is regulated
Article 29.1 (xii) in the Regulation of the Board establishes that directors may not, unless expressly authorised by the Board of Directors and following a report from the Appointments and Remuneration Committee, form part of more than five (5) Board Committees, excluding (i) the Boards of Directors of companies belonging to the same group as the Company; (ii) the Boards of Directors of family businesses or property of the Directors or their relatives; and (iii) the Boards to which they belong as a result of their professional relationship. In addition, Article 26.3 establishes that Directors may not form part of more than three Boards of Directors of other companies whose shares are traded on national or foreign stock exchanges.

C.1.13 State the amounts of the following items relating to the overall remuneration of the board of directors:

Remuneration of the board of directors (thousands of euros)	298
Amount of rights accumulated by current directors by way of pensions (thousands of euros)	0
Amount of rights accumulated by former directors by way of pensions (thousands of euros)	0

Remarks
There are no rights accumulated by current directors by way of pensions.

C.1.14 Identify the senior managers who are also executive directors and indicate the total remuneration accrued by each one during the year:

Name or company name	Position/s
MR JAVIER MARÍN SAN ANDRÉS	DIRECTOR GENERAL OF REGULATED BUSINESS
MR JOSÉ LEO VIZCAÍNO	CHIEF FINANCIAL OFFICER
MS BEGOÑA GOSÁLVEZ MAYORDOMO	HEAD OF ORGANISATION AND HUMAN RESOURCES
MS MARÍA GÓMEZ RODRÍGUEZ	COMMUNICATION DIRECTOR
MR ROBERTO ANGEL RAMÍREZ GARCÍA	HEAD OF INTERNAL AUDITING
MR ANTONIO GARCÍA-MON MARAÑÉS	DIRECTOR OF LEGAL ADVICE AND EQUITY MANAGEMENT
MR JUAN CARLOS ALFONSO RUBIO	CORPORATE GENERAL SECRETARY
MR JUAN JOSÉ ÁLVAREZ GALLEGO	HEAD OF AENA INTERNACIONAL
MR JOSÉ MANUEL FERNÁNDEZ BOSCH	DIRECTOR GENERAL OF NON-REGULATED BUSINESS
MR ANGEL LUIS SAN SANZ	DIRECTOR OF THE CHAIRMAN'S OFFICE, REGULATION AND PUBLIC POLICY

Total senior management remuneration (in thousands of euros)	1,221

Remarks
The meeting of the Board of Directors held on 10 April 2018 decided to appoint Mr Antonio García-Mon Marañés as a Director of Legal Advice and Equity Management. The corresponding senior post contract was entered into on 11 April 2018. Until 18 March 2018 the director of this unit had been Ms Matilde García Duarte. The meeting of the Board of Directors held on 25 September 2018 decided to appoint Ms María Gómez Rodríguez as a Communications Director. The corresponding senior post contract was entered into on 1 October 2018. Until 2 September 2018 the director of this unit had been Mr Félix Madero Villarejo.

C.1.15 State whether the board rules were amended during the year:

Yes ☐ **No** X

Description of amendments

C.1.16 State the procedures for selection, appointment, re-election and removal of directors. Mention competent bodies, procedures to be followed and criteria to be applied in each of the procedures.

In its Board of Directors meeting on 23 February 2016, the Company approved a Director Selection Policy.

In addition, the procedures of selection and re-election of directors are regulated in articles 31, 33 and 34 of the Company Bylaws and Articles 9, 10, 11, 12, 13 and 14 of the Board Regulations.

The procedure must be carried out in application of the principle of balanced composition of the Board in terms of classes of Directors as considered in article 8.4 of the Board Regulations.

The Members of the Board of Directors of the Company shall be appointed by the General Shareholders' Meeting or, in the event of an early vacancy, by the Board of Directors itself by co-optation.

Thus, the Board Regulations establish:

Article 9.- Selection of candidates: 1. The Board of Directors shall work towards ensuring that: (a) the selection policy of the directors (i) is specific and verifiable (ii) ensures that the proposals for appointment or re-election are based on a previous analysis of the needs of the Board of Directors; and (iii) supports the diversity of knowledge, experience and gender in the Board of Directors; and (b) the result of the preliminary analysis of the needs of the Board is reflected in the explanatory report of the Appointments Committee to be published at the summons of the General Shareholders' Meeting that must ratify the appointment or re-election of each director. 2. The Board of Directors – and the Appointments and Remuneration Committee within the scope of its powers- shall endeavour to ensure that the proposals for candidates made to the General Shareholders' Meeting for appointment or re-election as Directors, and the appointments made directly to cover vacancies in the exercise of its co-optation powers, are made of honourable and suitable persons of recognised solvency, competence, experience, qualification, training, availability and commitment to their duty. It shall also strive to ensure that the selection of candidates achieves the right balance of the Board of Directors as a whole, which enriches the decision making process and contributes plural perspectives to the discussion of matters of its competence. 3.

In the case of a Director that is a legal entity, the individual representing it in the exercise of the duties inherent to the office of Director shall be subject to the same criteria set forth in the previous paragraph. Any incompatibilities that may be applicable and any duties enforceable for Directors as set forth in the Company Bylaws and these Regulations shall be equally applicable to the representative on a personal level.

Article 10.- Appointment: 1. The Directors shall be appointed by the General Shareholder's

Meeting by agreement or, in the event of co-optation, by the Board of Directors, with the provisions set forth in the law and in the Company Bylaws. 2. The proposals for appointment and re-election of Directors that the Board of Directors submits to the General Shareholders' Meeting, and the appointment decisions that are adopted by the Board of Directors, by virtue of the powers of co-optation legally attributed thereto, must be preceded by: (i) the pertaining proposal from the Appointments and Remunerations Committee in the case of Independent directors, which must go hand in hand with an explanatory report evaluating the competency, experience and merit of the proposed candidate; or (ii) the Appointments and Remuneration Committee report in the case of other Directors, with assignment of the new Director to one of the categories considered in these Regulations The provisions of this section shall also apply to individuals who are designated as representatives of a director that is a legal entity, and the proposal for the appointment of such representative must be submitted to the report of the Appointments and Remuneration Committee. 3. The proposals and reports from the Appointments and Remuneration Committee must expressly value the honourability, suitability, solvency, competency, experience, qualification, training, availability and commitment to duty of the candidates. 4. When the Board of Directors should choose to act contrary to any of the proposals or reports from the Appointments and Remuneration Committee it shall explain the reasons for its action and record it in a document. 5. The appointment of Directors by co-optation must respect the rules of appointment of Directors set forth in the law, in the Company Bylaws and in these Board of Directors Regulations. In the event of a vacancy arising after the General Shareholder's Meeting, has already been called and prior to it being held, the Board of Directors may designate a Director until the holding of the following General Shareholder's Meeting.

Article 11.- Term of office 1. Directors shall hold their office for a period of four (4) years unless the General Shareholders' Meeting should agree their dismissal or they should resign before the end of this term. 2. Directors may be re-elected once or several times for periods of four (4) years, although in the case of Independent Directors the maximum term of office shall be of twelve (12) years for this category. 3. The vacancies that might arise may be covered by the Board of Directors in accordance with the law, the Company Bylaws and these Regulations, until the following General Shareholders' Meeting is held, which will then either confirm the appointments or elect the persons who must replace the non-ratified Directors, unless elimination of the vacancies should be decided.

Article 12.- Re-election 1. The proposals for re-election of Directors that the Board of Directors should decide to submit to the General Shareholders' Meeting must follow a procedure which will necessarily include a proposal (in the case of Independent Directors) or a report (in the case of remaining Directors) issued by the Appointments and Remuneration Committee, which will evaluate the quality of the work and the dedication to office of the Directors proposed during the previous term of office as well as, and expressly, the honourability, suitability, solvency, competency, availability and commitment to duty thereof. 2. To this end, the Directors who form part of the Appointments and Remuneration Committee shall be evaluated by this Committee, using whatever internal and external means are deemed necessary, and each one shall have to leave the meetings when the deliberations and voting affecting each one take place. The Chairman, the Deputy Chairmen (if any), the Independent Directors especially empowered and, in the event that they are Directors, the Secretary and the Deputy Secretaries (if any) of the Board of Directors that are re-elected as members of the Board of Directors by

agreement of the General Shareholder's Meeting shall continue to hold the offices they have held hitherto within the Board of Directors, with no need for a new appointment, and all notwithstanding the power of revocation in regard to such offices held by the Board of Directors itself.

Article 13.- Resignation, dismissal and termination. 1. The Directors shall terminate their term of office when the term for which they were appointed has elapsed or when so decided by the General Shareholder's Meeting exercising the powers attributed thereto. 2. The Board of Directors shall not propose the termination of any Independent Director before the end of the term of appointment, unless there should be just cause for this in the opinion of the Board of Directors, following a report from the Appointments and Remuneration Committee. In particular, a just cause shall be understood to have occurred when the director takes on new offices or undertakes new obligations which prevent him/her from dedicating the necessary time to the performance of the duties inherent to the office of director, should fail to meet the duties inherent to his office or should be subject to circumstances that cause him to lose his condition of independent, in accordance with applicable legislation. This termination may also be proposed as a result of public takeover bids, mergers or any other similar corporate operations that lead to change in the capital structure of the company. 3. Directors must present their resignation to the Board of Directors and formalise said resignation in the following cases: (i) When for unexpected circumstances they should be subject to the situations of incompatibility or prohibition set forth in general provisions, in the Company Bylaws or in these Regulations. (ii) When as a result of actions or conducts attributable to the Director serious damage should have been caused to the assets or reputation of the Company or the Company should be at risk of criminal liability. (iii) When they should lose the honourability, suitability, solvency, competency, availability or commitment to duty necessary to be a Director of the Company. (iv) When their permanence in the Board of Directors might endanger, for any reason, and directly, indirectly or via parties related to him (in accordance with the definition of this term contained in these Regulations), the fair and diligent performance of his duties in accordance with social interest. (v) When the reasons for which he was appointed should no longer exist and, in particular, in the case of Proprietary Directors, when the shareholder they represent has fully or partially sold his shareholding, thus losing the qualification thereof as significant or sufficient to justify the appointment. The number of Proprietary Directors proposed by a shareholder must be reduced in accordance with its reduction of its shareholding in the share capital of the Company. (vi) When an Independent Director should unexpectedly become involved in any of the circumstances he is barred from as set forth in article 8.5 of these Regulations. 4. In any of the cases set forth in the foregoing paragraph, the Board of Directors shall ask the Director to resign from office and, as the case may be, shall propose dismissal thereof at the General Shareholder's Meeting. 5. Exceptionally, the foregoing shall not be of application in the event of resignation considered in paragraphs (v) and (vi) above then the Board of Directors should consider that there are causes to justify the permanence of the Director, following a report from the Appointments and Remuneration Committee, notwithstanding the incidence that the new circumstances may have on the qualification of the Director. 6. In the case of an individual representing a legal entity that is a Director being involved in any of the abovementioned situations, said person shall be rendered invalid to carry out that representation. 7. In the event of resignation or termination of a Director prior to the end of his term of office, the Director must explain the reasons for this resignation/termination in a letter addressed to all members of the Board of Directors. In

any event, the reason for the termination must be included in the annual corporate governance report of the Company.

Article 14.- Deliberation and voting on appointment and termination of Directors. 1. The Directors affected by appointment, re-election or termination proposals shall abstain from intervening in the deliberations and votes that affect them. 2. All votes of the Board of Directors on the appointment, re-election or termination of Directors shall be secret, notwithstanding the right of any Director to disclose the content of his vote.

C.1.17 Explain to what extent the annual assessment of the board has led to important changes in its internal organisation and the procedures applicable to its activities:

Description of amendments
On 19 December 2017, the Board evaluated the quality and efficiency of the operation and the composition of its committees, diversity in their composition and competences and the performance of the Chairman. As a result of this evaluation, the Board established the following improvement areas that have been implemented during the financial year 2018: – Approval of a strategic plan for the company – Providing Directors with the documentation related to the topics to be discussed further in advance as well as the expediency of including summaries or informative notes in the points to be discussed. To this end, during 2018 the following improvements were made: the Secretariat of the Board of Directors provides the Directors with all the documentation concerning the agenda to be dealt with at least 5 days in advance and specifies on the agenda whether the matter is for debate, information or decision. In addition, the start time of the meetings has been brought forward in order to have more time and the Chairman encourages discussion of all the points on the agenda. – The Audit Committee has adapted its roles to the recommendations in the CNMV's Technical Guide to the extent possible. Likewise, to improve the Company's corporate governance and the operation and monitoring performed by the Board of Directors, the following policies have been approved in 2018: – Antibribary policy, which supplements and develops AENA's Code of Conduct and General Regulatory Compliance Policy. It means AENA is committed to permanent surveillance and sanctioning of fraudulent actions or conduct or any which may foster corruption in any of its forms, maintenance of effective communication mechanisms and the awareness of all employees, managers and governing bodies and building a business culture based on ethics and honesty. – Remuneration policy for AENA shareholders in order to link shareholder remuneration with the profits made by AENA – Amendments to AENA's Regulatory Compliance Policy and Code of Conduct to improve the supervision and control of AENA's Board of Directors with respect to any unlawful actions – Procedure for Managing Conflicts of Interest of Directors

Aena has also been assisted by an external consultant in Board evaluation, as a result of which the Board of Directors of Aena, in its meeting held on February 26, 2019, approved the following action plan for the Year 2019:

- Review of the amounts of the contracts to be submitted for the approval of the Board of Directors, in order to lighten the points to be dealt with in the Agenda, and to free up time in the sessions for the discussion of strategic issues.
- Preparation of Executive Summaries presentations related to the different points of the Agenda, whenever possible.
- Adaptation of the Appointments and Remuneration Committee functioning to the recommendations in CNMV Technical Guide.
- Systematization of Training Programs for directors and members of the Commissions in matters related to their specific needs.
- Incorporation of new professional profiles of directors related to international business, real estate or digital sectors in the selection process.
- Creation of at least one Working Group within the Board in terms of strategy, or in real estate aspects or international expansion or digitization.

Describe the evaluation process and the areas evaluated by the board of directors with the help, if any, of external advisers regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas
The Board of Directors of Aena evaluates performance on an annual basis in accordance with the applicable regulations and section 19.8 of the Board of Directors Regulation. In line with Principle 18 of the Code of Good Governance of listed companies, in November 2018, Deloitte Legal was appointed as an external expert to support the Board of Directors and its committees in evaluating their activity in the 2018 financial year. In accordance with Recommendation 36 of the Code of Good Governance of the CNMV, the following areas have been evaluated: - Quality and efficiency of the operation of the Board of Directors. - Diversity in composition and competencies in the Board of Directors. - The operation and composition of its committees. - Performance of the executive Chairman of the company. - Performance and contribution of each director and chairs of the various committees. Therefore, the object of the evaluation has been the Board of Directors and the audit and appointments and remuneration committees. The evaluation has also included a special section in order to assess the degree of compliance with the action plan for the financial year 2018 approved by the Board of Directors for the implementation of improvements identified as a result of the self-assessment carried out in the previous year.

The methodology used was a combined analysis of the relevant corporate documentation of Aena, as well as obtaining information from the different directors through (i) the completion, from a quantitative and qualitative point of view, of an evaluation questionnaire which included different questions about the points that are the object of the evaluation and (ii) conducting personal interviews with the different members of the Board of Directors.

The result of the evaluation process was included in a report presented to the Audit Committee on 21 February 2019 and to the Appointments and Remuneration Committee on 22 February 2019. The Board of Directors, in its session held on 26 February 2019, approved the results of the evaluation of the 2018 fiscal year and the measures to be implemented as part of the action plan for the 2019 fiscal year.

C.1.18 Describe, for those financial years in which the evaluation has been assisted by an external consultant, the business relationships that the consultant or any company in its group has with the company or any company in its group.

For the evaluation of the Board of Directors in 2018, the Company has received assistance from an external consultant, namely DELOITTE.

The main contracts of AENA, S.M.E., S.A. with any of the DELOITTE Group companies in execution during 2018 have been the following:

- Process audit service using data analysis tools in the commercial revenue cycle (Deloitte Advisory SL)
- Strategic information systems plan (Deloitte Consulting SL)
- Financial advice for the process of implementing the master plan for AS Madrid-Barajas and Barcelona el Prat airports (Deloitte Consulting SL)
- Internal cybersecurity audit service (Deloitte advisory SL)
- Audit of the pension fund (Deloitte SL)

The main contracts concluded between AENA DESARROLLO INTERNACIONAL, S.M.E., S.A. and any of the Deloitte Group companies during the year 2018 have been the following:

- Assistance in the preparation of the test impairment (Deloitte UK)
- Financial due diligence and financial model of Soc. Conc. Aeropuertos de Colombia (Deloitte Consulting, S.L.U.)

C.1.19 State the cases in which directors are obliged to resign.

In addition to the case of incompatibility or prohibition legally established, article 13 of the Board Regulations sets forth:

…3. Directors must present their resignation to the Board of Directors and formalise said resignation in the following cases:

(i) When for unexpected circumstances they should be subject to the situations of incompatibility or prohibition set forth in general provisions, in the Company Bylaws or in these Regulations.

(ii) When as a result of actions or conducts attributable to the Director serious damage should have been caused to the assets or reputation of the Company or the Company should be at risk of criminal liability.

(iii) When they should lose the honourability, suitability, solvency, competency, availability or commitment to duty necessary to be a Director of the Company.

(iv) When their remaining on the Board of Directors might endanger, for any reason, and directly, indirectly or via parties related to them (in accordance with the definition of this term contained in these Regulations), the fair and diligent performance of their duties in accordance with social interest.

(v) When the reasons for which they were appointed should no longer exist and, in particular, in the case of Proprietary Directors, when the shareholder they represent has fully or partially sold their shareholding, thus losing the qualification thereof as significant or sufficient to justify the appointment. The number of Proprietary Directors proposed by a shareholder must be reduced in accordance with its reduction of their shareholding in the share capital of the Company.

(vi) When an Independent Director should unexpectedly become involved in any of the circumstances they are barred from as set forth in article 8.5 of these Regulations.

4. In any of the cases set forth in the foregoing paragraph, the Board of Directors shall ask the Director to resign from office and, as the case may be, shall propose their dismissal at the General Shareholder's Meeting.

5. Exceptionally, the foregoing shall not be of application in the event of resignation considered in paragraphs (v) and (vi) above then the Board of Directors should consider that there are causes to justify the permanence of the Director, following a report from the Appointments and Remuneration Committee, notwithstanding the incidence that the new circumstances may have on the qualification of the Director.

6. In the case of an individual representing a legal entity that is a Director being involved in any of the abovementioned situations, said person shall be rendered invalid to carry out that representation.

7. In the event of resignation or termination of a Director prior to the end of his term of office, the Director must explain the reasons for this resignation/termination in a letter addressed to all members of the Board of Directors. In any event, the reason for the termination must be included in the annual corporate governance report of the Company.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?

Yes ☐ **No** X

If any, please describe the differences.

Description of differences

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes X **No** ☐

Description of requirements
Article 15.5 of the Regulations on the Board of Directors establishes that the Chairman of the Board of Directors shall be in any event the chief executive. In addition, article 15.2 of the Board Regulations sets forth that the Chairman shall hold the position of Chief Executive Officer of the Company, whose appointment will require the vote in favour of two thirds of the members of the Board of Directors.

C.1.22 State whether the company bylaws or the board regulations establish any limit as to the age of directors:

Yes ☐ **No** X

	Age limit
Chairman	
Chief Executive Officer	
Director	

Remarks

C.1.23 State whether the company bylaws or the board regulations establish any term limits or or other more stringent requirements in addition to those provided by law for independent directors other than those required by law:

Yes ☐ **No** X

Additional requirements and/or maximum number of term limits	

C.1.24 State whether the company bylaws or the board regulations establish specific rules on proxy voting in the board for other directors, the way to do this and, in particular, the maximum number of proxy votes which a director may have, as well as whether there is any limitation in place in terms of the categories for proxy voting, beyond the limits imposed by the legislation. If any, please briefly provide details of such rules.

Article 20.2 of the Board Regulations establishes that when directors exceptionally are unable to personally attend the meetings of the Board of Directors, they shall endeavour to transfer their representation to another member of the Board holding his same status, including giving the most accurate appropriate instructions. External Directors may only delegate their vote to another External Director. Proxy voting must be granted in writing and shall be special for each meeting.

C.1.25 State the number of meetings held by the board of directors during the year. Additionally, mention, if applicable, the times that the board has met without the attendance of its chairman. Meetings where the chairman sent specific proxy instructions are to be considered as attended.

Number of board meetings	**14**
Number of board meetings without attendance of the chairman	**0**

Remarks

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	**0**

Remarks

State the number of meetings held by each committee of the board during the year:

Number of meetings of the executive committee	**0**
Number of meetings of the audit committee	**8**
Number of meetings of the appointments and remuneration committee	**10**
Number of meetings of the appointments committee	**-**

Number of meetings of the remuneration committee	**-**
Number of meetings of the ____ committee	**-**

Remarks

C.1.26 State the number of meetings that the board of directors has held during the year and information about the attendance of its members.

Number of meetings attended in person by at least 80% of the directors	11
Personal attendance as a percentage of total votes during the year	87%
Number of meetings attended in person or via specific proxy instructions of all the directors	9
Votes cast with attendance in person and via specific proxy instructions as a percentage of total votes during the year	89%

Remarks
.

C.1.27 State whether the individual and consolidated annual accounts submitted to the Board for preparation were previously certified:

Yes X **No** □

Identify, if applicable, the person(s) who certified the individual and consolidated annual accounts for preparation by the board:

Name	**Position**
MR JOSÉ LEO VIZCAÍNO	CHIEF FINANCIAL OFFICER
MR MAURICI LUCENA BETRIU	CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Remarks

C.1.28 Explain any measures established by the board of directors to prevent the individual and consolidated accounts prepared by the board from being submitted to the general shareholders' meeting with a qualified audit opinion.

The Audit Committee, in accordance with article 23.7 of the Regulations of the Board of Directors ensures that the Board of Directors presents the accounts to the General Shareholder's Meeting with no limitations or qualifications in the audit report and that, in the event of the existence of qualifications, both the Chairman of the Audit Committee and the auditors clearly explain to the shareholders the content and scope of such limitations or qualifications.

C.1.29 Is the secretary of the board also a director?

Yes ☐ **No** ☒

If the secretary is not a director, please complete the following table:

Name or company name of secretary	**Representative**
MR JUAN CARLOS ALFONSO RUBIO	
Remarks	
Ms Matilde García Duarte held the position of Non-Director Secretary until 15 January 2018, when Mr Juan Carlos Alfonso Rubio was appointed Non-Director Secretary.	

C.1.30 State any specific measures taken by the company to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

In accordance with article 23.9 of the Board Regulations, the Audit Committee is in charge of the following functions:

(i) Ensuring and preserving the independence of the external auditor in the exercise of its functions and, to that end:

- Ensuring that the Company reports to the National Securities Market Commission (CNMV), as price sensitive information, the change of external auditor and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there were such, their content.
- Ensuring that the Company and the external auditor respect the current rules on the supply of services other than those of auditing, the limits on the concentration of the external auditor's business and, in general, other standards established to ensure the independence of the auditors.
- In the event of the external auditor's resignation, examining the circumstances causing it.
- Watching to see that the remuneration to the external auditor for the work does not compromise quality or independence.

(ii) Establishing the appropriate relations with the auditors of accounts or audit companies in order to receive information on those questions which may constitute a threat to their independence for their examination by the Audit Committee, and any others related with the procedure of the audit of accounts and, when necessary, the authorisation of services other than those prohibited, in the terms set out in articles 5, section 4, and 6.2.b) of Regulation (EU) No 537/2014, of 16 April, and the terms of section 3 of chapter IV, title I of the Audit Act 22/2015, of 20 July, on the regime of independence, as well as those other communications provided for in the legislation on auditing and in audit standards. In all cases, they must receive annually from the external auditors a declaration of their independence in relation to the Company or companies linked to it directly or indirectly, and detailed and individualised information on additional services of any kind supplied and the relevant fees received from these companies by the external auditor or by persons or entities linked to it in accordance with the terms set out in the regulations governing the activity of auditing accounts.

(iii) The annual issue, prior to the issue of the audit report, of a report in which an opinion is expressed on whether the independence of the auditors of accounts or audit companies has been compromised. This report must contain, in every case, a reasoned assessment of each and every one of the additional services referred to in the preceding section, considered individually and as a whole, other than the legal audit and in relation with the regime of independence or with the regulations governing the activity of auditing accounts.

(iv) Where applicable, being in favour of the group auditor taking on responsibility for the audits of the group companies.

(v) Supervising that the Company communicates to the CNMV as a relevant event any change of auditor and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there are such, their content.

(vi) Ensuring that the external auditor has an annual meeting with the Board of Directors in plenary session to report on the work done and on the progress of the accounting situation and risks affecting the Company.

(vii) Ensuring that the Company and the external auditor respect the rules in force on the supply of services other than those of audit, the limits on the concentration of the auditor's business and, in general, other standards on the independence of the auditors.

In the first months of financial year 2019, and in any event prior to the issue of the accounts auditing report, the Audit Committee shall prepare the report on the independence of the accounts auditors or auditing firms in accordance with article 23.9 of the Regulations of the Board of Directors.

The Financial Department coordinates the relations with financial analysts, investment banks, institutional and retail investors and rating agencies, managing requests for information as well requests from institutional or private investors on the basis of the principles of

transparency, non-discrimination, veracity and reliability of the information provided.

To this end, Aena has several communication channels, such as the publication of the information on quarterly results and other events such as those related to the presentation of results or to corporate operations, and direct communication with the department of investor relations via an electronic email and a contact telephone number.

C.1.31 State whether the company changed its external auditor during the year. If this is the case, identify outgoing and incoming auditor:

Yes ☐ **No** X

Outgoing Auditor	Incoming Auditor

Remarks

If there have been any disagreements with the outgoing auditor, please explain them:

Yes ☐ **No** X

Explanation of disagreements

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or its group:

Yes X **No**

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousands of euros)	137	17	154
Amount invoiced for non-audit services / Amount for audit work (in %)	95.8%	17.3%	63.9%

Remarks

C.1.33 State whether the auditors' report on the annual accounts for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes ☐ **No** ☒

Explanation of reasons

C.1.39 State the number of consecutive financial years the current audit firm has been auditing the annual accounts of the company and/or group. Furthermore, state the number of financial years audited by the current audit firm as a percentage of the total number of years that the annual accounts have been audited:

	Individual	Consolidated
Number of consecutive financial years	2	2

	Individual	Consolidated
Number of financial years audited by the current audit firm/number of financial years the company has been audited (as a %)	25%	25%

Remarks

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare for the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes ☒ **No** ☐

Details of procedure
Article 19.4 of the Regulations of the Board of Directors and 36 of the Company Bylaws set forth that the Chairman shall call the ordinary meetings of the board. This will be done by letter, electronic mail or other remote means of communication that ensure it is received, sufficiently in advance for Directors to have access to it and no

later than the third day before the date the Board Meeting is to be held. The call shall include the Agenda of the meeting and relevant written information for decision making, clearly indicating those points on which the Board of Directors must adopt a decision or agreement so that the Directors are able to study or compile, prior to the meeting, the information required to make the decision.

Likewise, following the evaluation of the operation of the Board of Directors in 2017, on 19 December 2017 the Board approved a number of improvement points implemented in 2018 including: sending documentation at least 5 days in advance, except for justified reasons.

The Secretariat of the Board of Directors has implemented a management app for the Board of Directors which enables the Directors to have all the information immediately and electronically on all their devices easily and quickly.

C.1.36 State whether the company has established rules whereby directors have to provide information regarding and, if applicable, resign in circumstances which may damage the company's standing and reputation. If so, provide details:

Yes ☒ **No** ☐

Explain the rules
In accordance with article 13.2 of the Board Regulations, the Directors must resign from the Board of Directors and formalise their resignation when: (i) for actions or conducts attributable to the Director that have caused serious harm to the assets or reputation of the Company or put the Company at risk of criminal liability; and (ii) when their permanence in the Board of Directors might endanger in any way and in a direct or indirect way or via related parties (in accordance with the definition of this term contained herein), the fair and diligence exercise of their duties in accordance with the social interest. Likewise, clause 4 in the Director Candidate Selection Policy establishes that people in the following situations cannot be considered as candidates to be a director: (i) they are subject to the prohibitions or conflicts of interest cases set out in the Corporate Enterprises Act and other applicable legal provisions; (ii) they are on more than three Boards of Directors of other companies whose shares are admitted to trading on national or foreign stock exchanges; and (iii) they do not comply with the requirements, if any, specified by the Bylaws, Regulations and other internal rules of the Company.

C.1.37 State whether any member of the board of directors has informed the company that he or she has been prosecuted or notified that legal proceedings are to be taken against him or her for any offences described in Article 213 of the LSC:

Yes ☐ **No** ☒

Name of director	Criminal case	Remarks

State whether the board of directors has analysed the case. If so, explain in detail the decision taken as to whether the director in question should continue in his or her post or, if applicable, describe any actions taken by the Board up to the date of this report, or which it intends to take.

Yes ☐ No ☐

Decision made/action taken	Explanation

C.1.38 List the material agreements entered into by the company and which come into force, are modified or terminate in the event of a change of control of the company as a result of a takeover bid and its effects.

C.1.39 Identify individually for directors, and generally in other cases, and provide details of any agreements made between the company and its directors, officers or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	0
Type of beneficiary	**Description of agreement**

State whether these contracts have to be reported and/or approved by management bodies of the company or of the group other than as required by regulation: If they do, specify the procedures, events and nature of the bodies responsible for their approval or for reporting them:

	Board of Directors	General Shareholders' Meeting
Body authorising the clauses	NO	NO

	Yes	No
Is the General Shareholders' Meeting informed of the clauses?		X

Remarks
The company does not have this type of agreements with its administration, management or employees, due to the public regulations that are applied, so the answer in this section would NOT APPLICABLE

C.2 **Committees of the Board of Directors**

C.2.1 List all the committees of the board of directors, their members and the proportion of executive, proprietary, independent and other external directors that comprise them:

EXECUTIVE COMMITTEE

Name	Position	Category
Maurici Lucena Betriu	Chairman and Chief Executive Officer	Executive
Josep Piqué Camps	Member	Independent
TCI ADVISORY SERVICES LLP represented by Mr CHRISTOPHER ANTHONY HOHN	Member	Proprietary
Francisco Ferrer Moreno	Member	Proprietary
Angélica Martínez Ortega	Member	Proprietary

% of executive directors	20%
% of proprietary directors	60%
% of independent directors	20%
% of other external members	0%
Remarks	
Events after the end of the reporting period: On 4 January 2019, Mr Josep Piqué Camps resigned from his position as Director and as a member of the Executive Committee.	

Explain the duties delegated or assigned to this committee other than those that have already been described in Section C.1.10, and describe the rules and procedures it follows for its organisation and operation. For each these duties, briefly describe its most important actions during the year and how it has performed in practice each of the duties assigned to it by law, the bylaws or other corporate resolutions.

Duties, organisation and operation: (Article 22 of the Board Regulations) […] (ii) Competencies

5. Without prejudice to the delegation of powers to the Chairman of the Board of Directors and, as applicable, the CEO and the Deputy Chairman of the Board of Directors, the Executive Committee will have the capacity of decision in the general sphere and, consequently, will have express delegation of all the powers which correspond to the Board of Directors except those which are not able to be delegated in virtue of the law, regulations applicable in matters of corporate government, the Company Bylaws and this Regulation.

(iii) Operation

6. The Executive Committee will meet with the necessary frequency, in the judgement of the Chairman or when requested by three of its members.
7. The Executive Committee will be validly formed when the meeting is attended, in person or by proxy, by more than half of its members.
8. Resolutions will be adopted by absolute majority of the Directors attending the meeting (in person or by proxy), the Chairman having a casting vote in the event of a tie.

(iv) Relations with the Board of Directors

9. The Board of Directors will be advised of the matters dealt with and the decisions adopted by the Executive Committee and all its members will receive copies of the minutes of Executive Committee meetings.

No Executive Committee meetings were held in 2018.

AUDIT COMMITTEE

Name	Position	Type
JUAN IGNACIO ACHA-ORBEA ECHEVERRÍA	CHAIRMAN	INDEPENDENT
FRANCISCO FERRER MORENO	MEMBER	PROPRIETARY
MARTA BARDÓN FERNÁNDEZ-PACHECO	MEMBER	PROPRIETARY
JAIME TERCEIRO LOMBA	MEMBER	INDEPENDENT
JOSE LUIS BONET FERRER	MEMBER	INDEPENDENT

% of proprietary directors	40%
% of independent directors	60%
% of other external members	0%

Remarks
At the end of financial year 2018, at its meeting held on 29 January 2019 the Board of Directors approved the appointment of Mr Jaime Terceiro Lomba as Chairman of the Audit Committee, four years after the appointment of the previous Chairman Mr Juan Ignacio Acha-Orbea Echeverría, pursuant to article 529 (14)2 of the Corporate Enterprises Act which establishes that the Chairman of the Audit Committee is to be appointed from among the independent directors on the committee and shall be replaced every four years. However, they may be re-elected after one year has elapsed from when they ceased to be the chairman.

Explain the duties, including any in addition to those specified by law, assigned to this committee and describe the rules and procedures it follows for its organisation and operation. For each these duties, briefly describe its most important actions during the year and how it has performed in practice each of the duties assigned to it by law, the bylaws or other corporate resolutions.

Duties, organisation and operation: (Article 23 of the Board Regulations)

(i) Composition

1. The Board of Directors will set up a permanent Audit Committee comprising five (5) members, who must be External Directors.
2. The Audit Committee is formed as an internal body of an informative and consultative character, with no executive functions, with powers of information, advice and proposal within its scope of action.
3. The members of the Audit Committee, and particularly its Chairman, will be appointed taking into account their knowledge and experience in matters of accounting and auditing or both. As a group, the Committee members will have the relevant technical knowledge in relation with the Company's sector of activity. Most of these members shall be Independent Directors.
4. The Chairman of the Audit Committee shall be appointed from among the independent directors on the committee and shall be replaced every four years. However, they may be re-elected after one year has elapsed from when they ceased to be the chairman.
5. The Board of Directors shall appoint the members of the Audit Committee and its Chairman and Secretary by an absolute majority. They will be renewed in the time, way and number decided by the Board of Directors of the Company
6. The Secretary of the Audit Committee may be one of its members or the Secretary or Deputy Secretary of the Board of Directors. In the latter case the Secretary may not be a member of the Audit Committee.

(ii) Competencies

7. Without prejudice to any other task that may be assigned to it by the Board of Directors or which is established in this Regulation, the primary function of the

Audit Committee will be that of providing support to the Board of Directors in its functions of supervision and, specifically, it will have as a minimum the competence to report to the General Shareholders' Meeting on questions raised in relation with those matters which are in the competence of the Audit Committee and, in particular, on the results of the audit, explaining how this has contributed to the integrity of the financial information and the function that the committee has undertaken in this process. In this respect, the Audit Committee will see that the Board of Directors endeavours to present the accounts to the General Shareholders' Meeting without qualifications or reservations in the audit report and that, in the exceptional circumstances that there should be reservations, the chairman of the audit committee and the auditors clearly explain to the shareholders the content and scope of such qualifications or reservations.

8. In relation with information and internal control systems, the Audit Committee will have the following functions:

   (a) Supervising the process of preparation, presentation and integrity of the essential financial information relating to the Company and, where applicable, the group, presenting to the administration body recommendations or proposals intended to safeguard its integrity, reviewing compliance with regulatory requirements, the adequate definition of the scope of consolidation and the correct application of accounting criteria.

   (b) Regularly review the internal control and risk management systems in order to identify, manage and properly inform of the main risks.

   (c) Evaluating everything relative to non-financial risks in the company, including operational, technological, legal, social, environmental, political and reputational risks.

   (d) Supervising the effectiveness of internal control in the Company, the internal audit and systems of risk management, discussing with the auditor of accounts any significant weaknesses in the internal control system detected during the audit, all this without impairing its independence. To these ends, and where applicable, it can make recommendations or proposals to the board of directors and the relevant period for their follow-up.

   (e) Establish and supervise a mechanism that enables employees to report in a confidential manner and, if possible and appropriate, anonymously, any irregularities of potential importance, particularly financial and accounting, that they may have detected within the company.

   (f) Watching over the independence of the unit which takes on the function of internal audit; proposing the selection, appointment, re-election and cessation of the internal audit service manager; proposing the budget for this service; approving the orientation and working plans, ensuring that its activity is focused principally towards the company's relevant risks; receiving information regularly on its activities; and verifying that the top management takes into account the conclusions and recommendations of its reports.

9. In relation with the external auditor:

   (a) Presenting to the Board of Directors, for submission to the General Meeting of Shareholders, proposals for the selection, appointment, re-election and replacement of the auditors of accounts, taking responsibility for the selection process, in accordance with the terms of articles 16, sections 2, 3 and 5, and 17.5 of Regulation (EU) No 537/2014, of 16 April, and the conditions of their contracting.

   (b) Receiving regularly from the external auditor information on the audit plan and the results of its workings, and seeing to it that the senior management takes its recommendations into account.

   (c) Ensuring and preserving the independence of the external auditor in the exercise of its functions and, to that end:

   - Ensuring that the Company communicates to the National Securities Market Commission, as an important event, the change of external auditor and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there were such, their content.
   - Ensuring that the Company and the external auditor respect the current rules on the supply of services other than those of auditing, the limits on the concentration of the external auditor's business and, in general, other standards established to ensure the independence of the auditors.
   - In the event of the external auditor's resignation, examining the circumstances causing it.
   - Watching to see that the remuneration to the external auditor for the work does not compromise quality or independence.

   (d) Establishing the appropriate relations with the auditors of accounts or audit companies in order to receive information on those questions which may constitute a threat to their independence for their examination by the Audit Committee, and any others related with the procedure of the audit of accounts and, when necessary, the authorisation of services other than those prohibited, in the terms set out in articles 5, section 4, and 6.2.b) of Regulation (EU) No 537/2014, of 16 April, and the terms of section 3 of chapter IV, title I of the Audit Act 22/2015, of 20 July, on the regime of independence, as well as those other communications provided for in the legislation on auditing and in audit standards. In all cases, they must receive annually from the external auditors a declaration of their independence in relation to the Company or companies linked to it directly or indirectly, and detailed and individualised information on additional services of any kind supplied and the relevant fees received from these companies by the external auditor or by persons or entities linked to it in accordance with the terms set out in the regulations governing the activity of auditing accounts.

(e) The annual issue, prior to the issue of the audit report, of a report in which an opinion is expressed on whether the independence of the auditors of accounts or audit companies has been compromised. This report must contain, in every case, a reasoned assessment of each and every one of the additional services referred to in the preceding section, considered individually and as a whole, other than the legal audit and in relation with the regime of independence or with the regulations governing the activity of auditing accounts.

(f) Where applicable, being in favour of the group auditor taking on responsibility for the audits of the group companies.

(g) Supervising that the Company communicates to the CNMV as a relevant event any change of auditor and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there are such, their content.

(h) Ensuring that the external auditor has an annual meeting with the Board of Directors in plenary session to report on the work done and on the progress of the accounting situation and risks affecting the Company.

(i) Ensuring that the Company and the external auditor respect the rules in force on the supply of services other than those of audit, the limits on the concentration of the auditor's business and, in general, other standards on the independence of the auditors.

10. Reporting to the Board of Directors, prior to its adoption of the relevant decisions reserved to the Board of Directors, on the following subjects:

(a) The financial information that due to its status as a listed company the Company must regularly report. The Audit Committee must ensure that the interim accounts are prepared according to the same accounting criteria as the annual accounts and, to this end, consider the advisability of a limited review of the external auditor.

(b) The prospectuses on the issue, admission and all other documentation relating to share issues or admissions.

(c) The creation or acquisition of equity interests in special purpose vehicles or based in countries or territories considered tax havens, as well as any other transaction or operation of a similar nature which, due to its complexity, might undermine the transparency of the group.

(d) Related-party transactions.

11. In relation to the internal audit:

(a) The Company shall have a unit that will be responsible for the internal auditing role which, under the supervision of the Audit Committee, shall ensure the good working order of the information and internal control systems and which will functionally report to the Chairman of the Audit Committee.

(b) The head of the unit that assumes the internal audit functions shall present its annual work plan to the Committee; will inform the committee directly of any incidents arising in the performance thereof; and shall present an activities report at the end of each financial year.

(c) The Audit Committee shall ensure the Independence and efficacy of the internal audit function; shall propose the selection, appointment, re-election and termination of the head of the internal audit department; shall propose the budget for this service; will receive regular information on its activities; and will verify that senior management takes the conclusions and recommendations of its reports into account.

12. In relation with the risk control and management policy:

(a) The Audit Committee must identify:

- The various types of risk, financial and non-financial (among others, operational, technological, legal, social, environmental, political and reputational), to which the Company is subject, including among those financial and economic, contingent liabilities and other risks outside the balance sheet.
- Fixing the level of risk that the Company considers acceptable.
- The measures in place to mitigate the impact of identified risks, in the event that they should materialise.
- The information and internal control systems that will be used to manage said risks, including contingent liabilities and off-balance sheet risks.

(b) Under the direct supervision of the Audit Committee, the Company will have a unit which carries out the internal function of risk control and management, and which will carry out the following functions:

- Ensuring the good functioning of the risk control and management systems and, in particular, that they identify, manage and adequately quantify all the important risks affecting the Company.
- Participating actively in the preparation of the risk strategy and in important decisions on its management.
- Seeing that the risk control and management systems mitigate the risks adequately in the framework of the policy defined by the Board of Directors.

13. The Audit Committee will supervise the strategy of communication and relations with shareholders and investors, including small and medium shareholders.

14. The Audit Committee must be informed on operations of structural and corporate amendments which the Company intends to carry out, for their analysis and prior report to the Board of Directors, on their economic conditions and accounting impact and, particularly, where applicable, on the proposed equation for exchange.

(iii) Operation

15. The Audit Committee will meet at least once a quarter and whenever it is found appropriate, being summoned by its Chairman, on his own decision or in response to a request by two (2) of its members, by the Chairman of the Board of Directors, the Executive Committee or, where applicable, the Chief Executive Officer.

16. Notwithstanding the above, the Audit Committee will meet whenever the Board of Directors asks for a report or approval of proposals in the ambit of its competence and always when, in the judgement of the committee Chairman, it is seen as appropriate to the good progress of its purposes.

17. The Audit Committee will be validly formed when the meeting is attended, in person or by proxy, by more than half of its members.

18. Resolutions will be adopted by absolute majority of the Directors attending the meeting (in person or by proxy), the Chairman having a casting vote in the event of a tie.

19. The Audit Committee may call for attendance at its meetings of the Company's auditor of accounts and the internal audit manager. In addition, the Audit Committee may call any employee or senior manager of the Company and even ask attendance of an employee without the presence of any senior manager.

20. The Audit Committee will prepare an annual memorandum containing an account of its activities.

(iv) Relations with the Board of Directors

21. The Board of Directors will be informed of the matters dealt with and the decisions adopted by the Audit Committee and all its members will receive copies of the minutes of the Audit meetings.

The most important actions that the Audit Committee undertook in 2018 were:

- The Committee has analysed the financial information prior to its presentation to the Board of Directors and its reporting to the CNMV and the markets. Specifically, it has examined the Annual Accounts, the Management Report, the Consolidated Non-Financial Information Statement, the Annual Corporate Governance Report, the proposed distribution of profits, the Quarterly Financial Reports, the Consolidated Financial Statements and the half-yearly Financial Report.
- It has approved the Auditor Independence Report for financial year 2017.
- It has supervised the actions carried out by the company's Internal Audit Department. Specifically, the topics it has addressed have included approving the risk map for 2018, examining the internal audit activities carried out in 2017 and following up on incidents in the audit reports.
- The Committee has reviewed information about related-party transactions.
- It reviewed the Committee's own main actions in order to approve the activities report for 2017 and 2018.

Identify the director who is a member of the audit committee and has been appointed taking into consideration his or her knowledge and experience in accounting, auditing or both and state the date that the chair of this committee was appointed.

Name of the directors with experience	JUAN IGNACIO ACHA-ORBEA ECHEVERRÍA
Name of the directors with experience	FRANCISCO FERRER MORENO
Name of the directors with experience	MARTA BARDÓN FERNÁNDEZ-PACHECO
Name of the directors with experience	JAIME TERCEIRO LOMBA
Name of the directors with experience	JOSE LUIS BONET FERRER
Date of appointment of the chair	16/10/2014

Remarks
At the end of financial year 2018, at its meeting held on 29 January 2019 the Board of Directors approved the appointment of Mr Jaime Terceiro Lomba as Chairman of the Audit Committee, four years after the appointment of the previous Chairman Mr Juan Ignacio Acha-Orbea Echeverría, pursuant to article 529 (14)2 of the Corporate Enterprises Act which establishes that the Chairman of the Audit Committee is to be appointed from among the independent directors on the committee and shall be replaced every four years, although they may be re-elected after one year has elapsed from when they ceased to be the chairman.

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
EDUARDO FERNANDEZ CUESTA LUCA DE TENA	CHAIRMAN	INDEPENDENT
AMANCIO LÓPEZ SEIJAS	MEMBER	INDEPENDENT
JOSEP PIQUÉ CAMPS	MEMBER	INDEPENDENT
TCI ADVISORY SERVICES LLP represented by Mr CHRISTOPHER ANTHONY HOHN	MEMBER	PROPRIETARY
ÁNGEL LUIS ARIAS SERRANO	MEMBER	PROPRIETARY

% of proprietary directors	40%
% of independent directors	60%
% of other external members	0%

Remarks
On 4 January 2019, the director Mr Josep Piqué Camps submitted his resignation as member of the Board and also of the Appointments and Remuneration Committee. To fill this vacancy, on 29 January 2019 Mr Josep Antoni Durán i Lleida was appointed an independent director by the co-optation procedure and also appointed a member of the Appointments and Remuneration Committee.

Explain the duties, including any in addition to those specified by law, assigned to this committee and describe the rules and procedures it follows for its organisation and operation. For each these duties, briefly describe its most important actions during the year and how it has performed in practice each of the duties assigned to it by law, the bylaws or other corporate resolutions.

The main rules of organisation and operation of the Appointments and Remuneration Committee are defined in article 24 of the Regulations of the Board of Directors. Notwithstanding any other duty that may be entrusted by the Board of Directors, the Appointments and Remuneration Committee shall have the following competencies:

1. Evaluate the competence, knowledge and experience necessary for the Board of Directors; define, in consequence, the functions and aptitudes necessary for the candidates to fill each vacancy, and evaluate the time and dedication required for them to undertake their tasks properly.

2. Establishing an objective for representation of the sex less present on the Board of Directors, preparing orientation on how to achieve this objective and reporting to the Board on questions of gender diversity.

3. Submitting to the Board of Directors proposals for the nomination of Independent Directors for their appointment by co-optation or for submission to the decision of the General Shareholders' Meeting, and proposals for the re-election or dismissal of these Directors by the General Shareholders' Meeting.

4. Reporting on proposals of appointment of other Directors for their nomination by co-option or for submission to the decision of the General Shareholders' Meeting, and proposals for their re-election or dismissal by the General Shareholders' Meeting.

5. Annual verification of compliance with the policy of selection of directors by the Board of Directors, reporting on this in the annual report on corporate government.

6. Ensuring that the non-executive directors have sufficient time available for the correct performance of their functions.

7. Reporting the proposals of nomination and dismissal of senior executives and proposing to the Board of Directors the basic conditions of their contracts.

8. Examining and organising the succession of the Chairman of the Board of Directors and the chief executive of the company and, where applicable, making proposals to the Board of Directors so that this succession takes place in an ordered and planned manner.

9. Periodically review the remuneration policy applied to the Directors and senior managers, including share remuneration packages and their application, as well as guarantee that their individual remuneration is in line with that paid to other Directors and senior executives of the Company.

10. Consulting the Chairman and chief executive of the Company, especially when dealing with matters relative to the executive directors and senior executives.

11. Checking on observance of the remuneration policy established by the Company.

12. Determine the complementary remuneration system of the Chairman and the Chief Executive Officer. The basic remuneration, which is the obligatory minimum remuneration, shall be established by the Ministry of Finance and Public Administrations.

13. Reporting on incentive plans.

14. Making an annual examination of the remuneration policy for the Directors and senior executives.

15. Preparing and checking on information on remuneration of the Directors and senior executives contained in the various corporate documents, including the annual report on corporate government and the annual report on Directors' remuneration.

16. Proposing the appropriate amendments of this Regulation to the Board of Directors.

17. Examining compliance with internal regulations (including the internal codes of conduct) and the rules of corporate government and making the necessary proposals of improvement.

18. Regularly evaluating the suitability of the company's corporate government system, with the aim that it complies with its purpose of promoting the company interests and taking into account, as appropriate, the legitimate interests of the other stakeholders.

19. Ensuring that any possible conflicts of interests do not compromise the independence of the external advice given to the Committee.

20. Reviewing the Company's corporate social responsibility policy, ensuring that it is geared towards value creation

21. Carrying out the follow-up of the strategy and practices of corporate social responsibility and evaluating the degree of compliance.

22. Supervising and evaluating the processes of relations with the various stakeholders.

23. Coordinating the process of reporting of non-financial information and on diversity, in accordance with the regulations applicable and international benchmarks.

The Appointments and Remuneration Committee shall meet as often as deemed necessary in the opinion of its Chairman for the exercise of its duties. It will also meet when requested by,

at least, two (2) of its members. The Chairman of the Board of Directors and the Chief Executive Officer may request information meetings from the Appointments and Remuneration Committee, as an exception.

Notwithstanding the above, the Appointments and Remuneration Committee will meet whenever the Board of Directors asks for the issue of a report or approval of proposals within its remit and whenever, in the judgement of the Chairman of this committee, it is appropriate for the good development of its purposes.

The Appointments and Remuneration Committee will be validly constituted when the majority of its members are present at the meeting, in person or by proxy.

Resolutions will be adopted by absolute majority of the Directors attending the meeting (in person or by proxy), the Chairman having a casting vote in the event of a tie.

Also any Company Director may ask the Appointments and Remuneration Committee to consider potential candidates they consider appropriate to fill a vacancy on the Board of Directors.

The Board of Directors will be informed of the matters dealt with and the decisions adopted by the Appointments and Remuneration Committee and all its members will receive copies of the minutes of the meetings of the Appointments and Remuneration Committee

Regarding the most important matters undertaken by the Committee during financial year 2018, the following should be mentioned:

- As a consequence of the resignations presented by the proprietary directors Mr José María Araúzo González, Ms Alicia Segovia Marco and Ms Mª. Jesús Romero de Ávila Torrijos, Mr Rodrigo Madrazo García de Lomana and Ms Tatiana Martínez Ramos e Iruela, and in order to fill the vacancies on the Board of Directors, the Committee drew up and approved a report supporting the appointment of Mr Ángel Luis Arias Serrano, Ms Angélica Martínez Ortega, Mr Francisco Ferrer, Mr Juan Ignacio Díaz Bidart and Ms Marta Bardón Fernández-Pacheco as new proprietary directors subject to approval or ratification at the first General Shareholders' Meeting. Likewise, and given that the outgoing directors were members of different committees, the Appointments and Remuneration Committee reported on the new composition of the aforementioned Committees.

- As a result of the resignation of Mr Jaime García-Legaz Ponce as Chairman and Chief Executive Officer, the Committee issued an opinion about the majority shareholder's proposal of Mr Maurici Lucena Betriu to fill this position.

- The Committee prepared the reports related to the ratification by the General Shareholders' Meeting of the appointments made by co-optation of Mr Jaime García-Legaz Ponce as Executive Director, Mr Ángel Luis Arias Serrano as a Proprietary Director and Mr. Josep Piqué Camps as an Independent Director.

- The Committee examined the CV and proposed the appointment of Mr Antonio García-Mon Marañés as Director of Legal Advice and Equity Management, Mr Ángel Luis Sanz Sanz as Director of the Chairman's Office, Regulation and Public

Policies, and Ms María Gómez Rodríguez as Communications Director.

- The follow-up report on the "Director Candidate Selection Policy" was approved and subsequently submitted to the Board of Directors.

- The Committee examined and approved the Annual Remuneration Report and the Annual Corporate Governance Report.

- The Committee reviewed the Statement of Non-Financial Information presented as an annex to the Annual Report.

- The Committee reviewed the proposed policy against corruption and fraud drawn up as part of AENA's good corporate governance policies, so that it could be approved by the Board of Directors.

- The Committee approved an AENA action procedure for managing potential conflicts of interest which the company's directors and their respective related persons might face in order to ensure full transparency.

- The Committee noted the main measures envisaged in each of the lines of action in the Corporate Social Responsibility Plan approved by the Board of Directors.

- The Committee approved the planning of company and senior management targets as part of the Performance Management System and the results for the targets achieved in this area

- The Committee approved the Directors' Training Plan for 2019.

APPOINTMENTS COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external members	

Remarks

Explain the duties, including any in addition to those specified by law, assigned to this committee and describe the rules and procedures it follows for its organisation and operation. For each these duties, briefly describe its most important actions during the year and how it has performed in practice each of the duties assigned to it by law, the bylaws or other corporate resolutions.

REMUNERATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external members	

Remarks

Explain the duties, including any in addition to those specified by law, assigned to this committee and describe the rules and procedures it follows for its organisation and operation. For each these duties, briefly describe its most important actions during the year and how it has performed in practice each of the duties assigned to it by law, the bylaws or other corporate resolutions.

COMMITTEE OF _____

Name	Position	Category

% of executive directors	
% of proprietary directors	

% of independent directors	
% of other external members	

Remarks

Explain the duties assigned to this committee and describe the rules and procedures it follows for its organisation and operation. For each these duties, briefly describe its most important actions during the year and how it has performed in practice each of the duties assigned to it by law, the bylaws or other corporate resolutions.

C.2.2 Complete the following table with the information on the number of female directors in the committees of the Board of Directors at the end of the last four financial years:

	Number of female directors			
	Financial year 2018 Number %	**Financial year 2017 Number %**	**Financial year 2016 Number %**	**Financial year 2015 Number %**
Executive committee	20%	40%	20%	20%
Audit Committee	20%	20%	0%	0%
Appointments and remuneration committee	0%	0%	0%	0%

Remarks

C.2.3 State, where applicable, the existence of any regulations governing the board's committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

The regulation of the board committees is contained in the following precepts:

- Executive Committee: Article 22 of the Regulations of the Board of Directors and article 42 of the Company Bylaws

- Audit Committee: Article 23 of the Regulations of the Board of Directors and article 43 of the Company Bylaws
- Appointments and Remuneration Committee: Article 24 of the Regulations of the Board of Directors and article 44 of the Company Bylaws

The place where these regulations can be found is:

http://www.aena.es/csee/Satellite/Accionistas/es/Page/1237572367889//Informacion-general.html

http://www.aena.es/csee/Satellite/Accionistas/en/Page/1237568522634/

There have been no changes in the regulation of the Board's committees in 2018.

The Audit and Appointments and Remuneration committees have prepared an annual report on the activities of the committees during 2018 which has been posted on the company's website.

D RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1 Describe, if applicable, the procedure and competent bodies for approval of related-party and intra-group transactions.

Procedure for issuing an opinion on the approval of related-party transactions
Article 5.4. (xx) of the Regulations of the Board of Directors reserves for the Board of Directors the competency to approve, after a report by the Audit Committee, the transactions that the Company or the companies within its group perform with directors or shareholders, either individually or in conjunction with others, involving a significant equity interest, including shareholders represented by the Board of Directors of the Company or other companies that are part of the same group, or with individuals linked to them. The directors concerned or who represent or are related to the shareholders concerned must abstain from participating in the discussion and voting of the resolution in question. Only transactions which meet all three of the characteristics listed below shall be exempted from this approval: a) That they are performed by virtue of contracts whose conditions are essentially standard and are applied en masse to a large number of clients. b) That are performed at prices or fees that are generally established by whoever operates as a supplier of the good or service in question, and c) That the amount involved does not exceed one percent of the Company's annual receipts. In turn, article 38 of the Regulations of the Board of Directors sets forth that: 1. The Board of Directors will be informed of transactions that the Company carries out, directly or indirectly, with directors, with significant shareholders or with representation on the board or with persons linked to them. These operations or transactions will require the authorisation of the Board of Directors, following a

favourable report by the Audit Committee, which must be approved with the favourable vote of at least eighty percent (80%) of the Directors attending, in person or represented, the meeting referred to.

Directors who are affected by the aforesaid transactions, in addition to being unable to exercise or delegate their voting right, must absent themselves from the meeting room while the Board of Directors discusses and votes on the matter.

2. The authorisation envisaged in the preceding section will not be required, however, when referring to transactions which simultaneously meet the following three conditions:

(i) That they are carried out pursuant to contracts that are basically standardised and which are habitually used with customers who contract the type of product or service in question.

(ii) Which are carried out at prices or rates that are generally set by whoever acts as the supplier of the good or service in question or when the transactions refer to goods or services for which there are no set rates, under usual market conditions, similar to those applied to commercial relations with customers of similar characteristics.

(iii) Whose value does not exceed one percent (1%) of the annual revenue of the Company.

If these conditions are met, the Directors affected will not be obliged to report these transactions or to apply to the Board for their authorisation as a precaution.

3. The transactions referred to will be assessed from the viewpoint of equality of treatment and market conditions, and will be set out in the annual report on corporate governance and in the information made public regularly in the terms envisaged in the regulations applicable.

4. Exceptionally, for reasons of urgency, related party transactions may be authorised by the Executive Committee, with subsequent ratification by the Board of Directors.

In addition to the Board's regulations, an "Internal procedure for the approval of related-party transactions" has been drawn up which was reviewed favourably by the Audit Committee and subsequently approved by the Board of Directors at its meeting on 24 October 2017.

D.2 Describe any transactions that are significant, either because of their amount or subject matter, carried out between the company or entities in its group and the significant shareholders of the company:

Name or company name of the significant	Name or company name of the company or group entity	Nature of the relationship	Type of operation	Amount (thousands of euros)

shareholder				
ENAIRE	AENA SME,S.A	Contractual	Provision of services	401
ENAIRE	AENA SME, S.A	Contractual	Receipt of services	-137,414
ENAIRE	AENA SME, S.A	Contractual	Financing agreements: Loans	-69,588
ENAIRE	AENA SME, S.A	Corporate	Guarantees and collateral	1,029
ENAIRE	AENA INT SME, S.A	Contractual	Provision of services	1,066

Remarks

D.3 Describe any transactions that are significant, either because of their amount or subject matter, carried out between the company or entities in its group and the directors or senior executives of the company:

Name or company name of the director or senior executive	**Name or company name of the related party**	**Relationship**	**Type of transaction**	**Amount (thousands of euros)**
xxxx	**xxxx**	**xxxx**	**xxxx**	**xxxx**

Remarks
No member of the Board of Directors, no other member of the senior management of the company, no person represented by a director or member of senior management, nor any company in which such persons or persons with whom they have a concerted action or act via intermediaries therein are either directors, members of senior management or significant shareholders, have carried out unusual or relevant transactions with the company.

D.4 Report on significant transactions carried out by the company with other entities belonging to the same group, provided these are not eliminated in the preparation of the consolidated financial statements and do not form part of the usual course of business of the company in relation to its purpose and conditions.

In any event, provide information on any intra-group transaction carried out with entities based in countries or territories considered as tax havens:

Company name of the group entity	Brief description of the transaction	Amount (thousands of euros)

Remarks
Not applicable

D.5 Describe any significant transactions conducted between the company or entities in its group with other related parties that have not been reported in the previous sections.

Name or company name of the related party	Brief description of the transaction	Amount (thousands of euros)
INECO	Receipt of services	-15,904
ISDEFE	Receipt of services	-5,004
AEMET	Receipt of services	-10,000
SENASA	Receipt of services	-1,338
AMP	Receipt of services	-5.764

Remarks

D.6 Provide details on the mechanisms in place to detect, determine and solve possible conflicts of interest between the company and/or its group, senior executives or significant shareholders.

For the purposes of what has been set forth in this paragraph, related parties is understood to mean the persons referred to in article 231 of the Recast Text of the Corporate Enterprises Act.

DIRECTORS. The situations involving conflict of interest which may affect the Company directors are regulated in article 29 of the Regulations of the Board of Directors and include the following:

Directors may not perform transactions with the Company except ordinary transactions conducted in standard conditions for clients and minor transactions operations, meaning those whose information is not necessary to express the faithful image of the

Company's assets, financial situation and results.

No Director or any individual related to them may perform activities on their own account or on behalf of others that may entail effective competition, either actual or potential, with the Company or which in any other way places them in ongoing conflict with the Company's interests.

Directors should refrain from participating in the deliberation and vote on agreements or decisions in which they or a person linked to them has a conflict of interest, either direct or indirect, except for agreements or decisions which affect them in their capacity as an administrator, such as their appointment or revocation for posts on the Board of Directors or other comparable posts.

No director or person associated with a director may either directly or indirectly perform professional or commercial operations or transactions with the Company or with any of the companies within its group when these operations do not simultaneously meet the conditions stipulated in article 38 of the Regulations of the Board of Directors regarding related-party transactions, unless the Board of Directors is informed in advance and approves the transaction in conformance with the provisions of article 5.4 (xx) of the Regulations of the Board of Directors.

The directors are obliged to inform the Board of Directors of any situation of conflict of interest, whether direct or indirect, which they might have in regard to company interests. In the event of conflict, the affected Director shall refrain from carrying out the transaction involving said conflict.

Notwithstanding the foregoing, the Company may lift the bans set forth in the previous paragraphs in specific cases, authorising the performance by a Director or a related party of a certain transaction with the Company, the use of certain company assets, the use of a specific business opportunity, the obtaining of a benefit or remuneration from a third party. The authorisation must be necessarily agreed by the General Shareholders' Meeting when seeking to lift the ban on obtaining a benefit or remuneration from a third party, or when it affects a transaction whose value exceeds ten (10) percent of corporate assets. In all other cases, the authorisation may also be granted by the Board of Directors provided the independence of the Directors granting the authorisation is guaranteed in regard to the authorised Director, and it will be necessary to ensure the harmlessness of the authorised transaction for the company assets or, as the case may be, its performance under market conditions and the transparency of the process.

The obligation to not compete with the Company may only be subject to dispensation in the event that no harm is to be expected for the Company or that it may be compensated by the benefit expected from such a dispensation. This dispensation shall be granted by express and separate agreement of the General Shareholders' Meeting.

MECHANISMS OF IDENTIFICATION AND RESOLUTION OF CONFLICTS. The aforementioned article 29 of the Regulations of the Board of Directors states that the Directors must inform the Company, via the Appointments and Remuneration Committee, of all jobs performed and activities carried out in other companies or entities, of any significant changes in their professional situation, any court or

administrative proceedings or those of any other nature which in light of their importance might seriously affect the reputation of the Company and, in general, of any event or situation which may be relevant for their action as directors of the Company.

Directors may not, unless expressly authorised by the Board of Directors, and following a report from the Appointments and Remuneration Committee, form part of more than five (5) Board Committees, excluding (i) the Boards of Management of companies belonging to the same group as the Company; (ii) the Boards of Management of family businesses or estates of the Directors or their relatives; and (iii) the Boards to which they belong as a result of their professional relationship.

Given that no Director, nor person related thereto, may directly or indirectly carry out professional or commercial transactions with the Company or with any of the companies in the group when such transactions do not simultaneously meet the abovementioned conditions, the mechanism requires that the Director previously informs the Board of Directors of the professional or commercial transaction he wishes to carry out.

If the Board of Directors has been informed of or detected the existence of a related transaction, the article 23(ii)10(d) of the Regulation of the Board of Directors assigns the Audit Committee the competency to inform it of the related-party transactions, and this information must be sent prior to the Board's decision.

D.7 Is more than one company in the group listed in Spain?

Yes ☐ **No** ☒

Identify the other companies that are listed in Spain and their relationship to the company:

Identity and relationship with other listed group companies

State if the respective areas of activity and business relationships between the listed companies have been defined publicly and precisely, as well as between the subsidiary and other members of the group:

Yes ☐ **No** ☐

Define the potential business relationships between the parent company and the listed subsidiary, and between the latter and the other group companies

Identify the mechanisms in place to resolve potential conflicts of interest between the listed subsidiary and other group companies:

Mechanisms in place to resolve potential conflicts of interest

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

Aena S.M.E., S.A. (hereinafter Aena) has implemented a Risk Management System that identifies strategic, operational, financial, compliance (including with tax legislation), information and reputational risks, and classified them on the basis of their potential impact and probability. This System develops the principles defined in the Control and Risk Management Policy approved by the Board of Directors, whose ultimate aim is to ensure a suitable overall framework of management of threats and uncertainties that are inherent to the strategy, business processes and the environment in which the Company operates.

All the risks identified by the System are added and classified in the corporate Risk Map. Each risks is managed at least by one Corporate Management Department, which documents its management in accordance with parameters defined and approved in the Risk Control and Management Policy, focusing on:

- Protecting the financial solidity and sustainability of Aena.
- Defending the rights of the shareholders and any other significant stakeholder of Aena.
- Assisting in the development of transactions by providing the security and quality required.
- Protecting the reputation of Aena.

The corporate Risk Map is updated periodically by the Management Committee based on the information provided by the Corporate Management Departments and approved by the Audit Committee.

The Aena Risk Management System therefore works in an integral and continuous way, focusing its management on the various corporate business and support areas, and consolidating this information for the Company.

The risks inherent to the international development of Aena form an integral part of its Risk Management System. In addition, the subsidiary London Luton Airport Operations Ltd. (LLAOL) has a specific business risk management process tailored to its size and economic position. The fundamental principles of the risk management in LLAOL are in line with those contained in the Risk Management Policy of Aena.

E.2 Identify the bodies in the company responsible for the development and execution of the Risk Management System, including tax compliance risk.

The roles and responsibilities of the areas involved in risk management are set forth in the Risk Control and Management Policy as follows:

- The Board of Directors defines, updates and approved the Risk Control and Management Policy of Aena, and sets the acceptable level of risk from time to time.

- The Audit and Control Committee supervises the internal control and risk management systems, making sure that the main risks are identified, managed and kept at planned levels, specifically:

    - The various types of risks Aena is exposed to;
    - That the level of risk is kept at variables defined as acceptable;
    - The measures in place to mitigate the impact of identified risks and their effectiveness;
    - The systems of internal information and control used to control and manage said risks.

- The Corporate Management Areas identify and assess the risks in their areas of responsibility; they propose and report the indicators for monitoring; they propose and carry out action plans for mitigation of risk, informing on the efficacy of such plans.

- The Internal Audit Management Area coordinates the activities defined in the Risk Control and Management Policy of Aena; supervising the proper operation of the Risk Management System; standardising and consolidating the information on risk identification and assessment and pertaining monitoring actions, prepared by the corporate and operational areas; and reporting to the Management Committee of Aena and the Audit Committee.

E.3 State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope set out in Royal Decree Act 18/2017) to the extent that these are significant, which may affect the achievement of business objectives

The business objectives of Aena may be affected by a variety of risks inherent to its activity, the environment in which it operates and its regulatory framework, as well as by certain financial risks. Below are the main risks:

Risks related to Aena and its business:

- The business of Aena is directly related to levels of passenger traffic and airline operations.

- Aena can be affected by negative developments (financial and economic) in Spain and in other countries.

- In this respect and following the referendum in the United Kingdom in which the vote was to leave the European Union (Brexit), the following risks are considered whose final form is subject to the negotiations between the British Government and the European Union to decide the final deal for leaving as well as the regulatory changes that both the United Kingdom and the European Union may make in the event of no deal:
    - Absence of agreements or shareholder changes which would allow the operation of airlines in the European Union whose ownership and control is no longer in the hands of citizens of European Union member states.
    - Absence of agreements which would allow the movement of aircraft between the European Union and the United Kingdom.
    - Depreciation of the pound against the euro which entails a loss of purchasing power for British passengers.
    - Adverse economic developments in the United Kingdom which reduces tourism coming from that country and/or operations at London-Luton airport.
    - Investment, expenses and operational difficulties brought about by the reshaping of passenger flows at airports.

- Aena operates in a competitive environment both in terms of other airports, and in terms of other means of transport that can affect its revenues.

- Aena faces risks arising from the concentration of airlines and depends on the revenues of its two main airports.

- Aena is exposed to certain risks related to the commercial activity as a result of its revenue being linked to sales generated by the retail activity.

- Aena depends on the services provided by third parties in the operations at its airports, which may have an impact on the activity of Aena.

- Labour disputes may have an impact on Aena's operations.

- Aena depends on information technology and communications and the systems and infrastructures face certain risks, including those inherent to cyber security.

- Aena is exposed to risks related to the airport operations (operational and physical security).

- Events such as terrorist attacks, wars or global epidemics could have a negative impact on international air traffic.

- Aena is exposed to the risk of a major aviation accident.

- Natural disasters and weather conditions can negatively affect business.

- Insurance coverage may be insufficient.

- The international activity of Aena is subject to risks associated with the development of operations in third countries and the fact that returns may not be as expected.

- Aena's profitability might be affected if it is not able to keep up its current efficiency levels.

- Aena is exposed to risks related to its indebtedness, and its obligations may limit Aena's operations and the chance of accessing funding, distributing dividends or making investments, among others.

- Aena is exposed to risks of loss in the judicial or administrative procedures in which it is held liable. Additional information on these procedures can be found in Note 23 in the consolidated annual accounts.

- Changes in tax legislation may lead to additional taxes or other detrimental factors for the tax situation of Aena.

- Aena is exposed to the impact of climate change, changes in regulations which may lead to an increase in the price of carbon emissions, and the need to undertake adaptation actions at airports in the medium to long term.

Risks related with the regulation of the business of Aena:

- Aena operates in a regulated sector and changes or future developments in the applicable regulation may have a negative impact on the income, operating profit and financial position of Aena. In particular, this regulation affects:
    - The management of the network of airports based on public service criteria.
    - System of airport charges.
    - Airport security measures.
    - Operating safety.
    - Allocation of time slots.

- Pursuant to Act 18/2014, the Airport Regulation Document for the period 2017-2021 lays down the following obligations where breach may result in penalties in the Maximum Annual Revenue per Passenger:
    - Service quality standards
    - Start-up dates for strategic investments

- The European Commission has initiated infringement proceedings against the Kingdom of Spain to assess whether there has been incorrect inclusion in national law of Directive 2009/12/EC or incorrect application of Regulation (EC) No 1008/2008 on common rules for the operation of air services in the Community. The resolution of these proceedings could lead to changes in the

regulatory framework applicable to airport charges.

- The Government of Catalonia asked the European Commission to rule on whether the airport system set out in Act 18/2014 complies with EU law.

- Environmental protection legislation might limit operations or growth at Aena airports, and/or require important financial outlays.

- Aena is a state-owned corporation and as such its management capacity may be restricted.

- The senior management of Aena, given its characteristics as a state-owned corporation, is subject to the public remuneration system.

Risks related with the shareholding structure of Aena:

- The main shareholder of Aena is a company that belongs to the Spanish State. The Spanish State will continue to have control over the operations of Aena and its interests may differ from those of the other shareholders.

Financial risks:

As well as what has been mentioned in this regard in previous sections, Aena is exposed to market financial risks (currency rate and interest rate fluctuations), credit and liquidity risk. Additional information in this regard can be found in Note 3 of the consolidated annual accounts.

E.4 Identify whether the company has a level of tolerance to risk, including tolerance for tax compliance risk.

The Management Committee periodically identifies the risks that threaten achievement of the business targets and carries out an assessment of criticality based on impact and expected probability, these being understood as:

- Impact: Damage that would be caused to Aena's strategic and operating targets that the risk would lead to in an actual event.

- Probability: Likelihood that the risk will materialise in an actual event once the controls in place to mitigate the risk have been considered.

In order to assess the risks identified, different types of possible impacts are considered for each risk, quantitative and qualitative.

- Economic: via the loss of profit or damage to property.
- Operations: via the temporary difficulty or impossibility of carrying out activities in certain areas, airports or being able to provide certain services to the customers.

- Reputation: via the potential loss of reputation regarding the stakeholders, mainly those who have a significant influence on the business such as customers, regulators, employees, financial entities and investors.

This assessment is supervised and approved by the Audit Committee of Aena.

Critical risks are those whose impact and probability are placed at the highest level of assessment. The Risk Policy establishes that in any event, for risks classified as critical, plans of action designed to maintain the impact or probability at levels defined as acceptable by the Board of Directors must be drawn up.

In addition, the Aena Risk Model establishes that every risk, including tax compliance risk, must have key monitoring indicators for which tolerance thresholds are established according to what is considered acceptable risk exposure. When such thresholds are surpassed, the need to design and execute specific action plans must be considered.

E.5 State which risks, including tax compliance risks, have materialised during the year.

The risks identified in the corporate Risk Map are to a large extent inherent to the activities of Aena and the applicable regulatory framework. For this reason, such risks are likely to materialise to a certain extent in each financial year.

- Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A., of which Aena S.M.E., S.A. is a sole shareholder, formalized on 24 February 2018, a concession contract for the management, operation, maintenance and conservation of said airport and its complementary activities area for a period of 25 years, after the bidding process that had been awarded to the company.

  Coinciding with the start of operations at the Región de Murcia International Airport (RMIA), Aena S.M.E, S.A. has abandoned, on 15 January 2019, the operation of the Murcia-San Javier (MJV) air base open to civil traffic, which means that, as of 31 December 2018, this airport cannot be considered as a member of the Cash Generating Unit in the airport network and the obligation arises to perform a deterioration test at its individual level. This test has resulted in the deterioration of all the assets that cannot be reused, with a net effect of pre-tax losses of 19.6 million euros.

  It is therefore considered that the risk of ending the operation of Murcia-San Javier, initially conceived due to the possibility of having to terminate the operation without receiving adequate compensation, and of a third

party operating the RMIA, has disappeared because:

- The Aena Group has been awarded the RMIA concession contract.
- It is estimated that the decrease in the value of MJV's assets will be compensated by the return on investment of the bid submitted for the bidding of said concession contract.

E.6 Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

The Aena Risk Management System incorporates response plans to the risk identifying mitigatory activities, actions plans and contingency plans of the risks contained in the Risk Map, based on their valuation or level of criticality, in order to ensure the management of risk within established tolerance parameters.

Mitigatory activities vary by type of risk and include the following:

- Operational Security Management System.
- Airport certification under EU Regulation no 139/2014.
- External airport safety and security audits.
- Management Centres for Airport Incidents.
- Emergency plans and contingency, preparation and response procedures for emergencies.
- Existence of airport security clauses in agreements entered with companies and Aena to carry out their activities at the Company's airports and heliports.
- Organisational Model and Information Security Policy.
- Disaster Recovery Plans (DRPs).
- ICT security checks under ISO norm 27002:2013.
- Participation in working groups on regulatory review.
- Hearing procedures regarding the modification of certain legislation.
- Action procedures to ensure the correct management of plans and projects with an environmental impact.
- Integrated Quality and Environment Management System, certified by an accredited external entity in accordance with the UNE-EN ISO 9001 and UNE EN-ISO 14.001 standards.
- Management of noise pollution of surrounding towns: preparation of strategic noise maps, noise monitoring systems and flight routes, sound insulation

plans.

- Internal Regulations and contracting control systems.
- Regulatory Compliance System.
- Occupational Accident Prevention System.
- Financial Information Internal Control System.
- Policy against corruption and fraud.
- Corporate Governance Policy.
- Investment planning, monitoring and execution procedure.
- Corporate tax policy.
- Guarantees, collateral or pre-payments required from customers.
- Interest rate hedging instruments.
- Actions in the airport marketing plan, air traffic capture and airline loyalty.
- Coordination procedures with Enaire/control centres to prevent or mitigate air traffic congestion.

In addition, Aena carries out an insurance approach designed to reduce, prevent and transfer existing risks in the airport network and possible complaints that might arise in the performance of its activity, for which Aena has taken out the usual policies for its activity, including:

- Airport operator civil aviation liability policy + war and terrorism liability.
- All-risk material damage, business interruption and machinery breakdown policy + Insurance Compensation Consortium natural disaster and terrorism risk excess coverage.
- Technology protection policy (loss of or damage to computer systems and loss of stored data).

Likewise, in order to limit Aena's liability for operations performed by any company operating within the airport premises (handling agents, airlines, suppliers, tenants, etc.) Aena requires these companies to take out liability policies.

In relation to the procedures the company follows to ensure it responds to new challenges (emerging risks), the Risk Control and Management Policy lays down that the risk categories and types are to be reviewed on a regular basis and identified risks are to be evaluated, mainly by using the information about the defined risks provided in the monitoring system which their managers have to report based on the management conducted during the year. In addition to these regular updates, the Management Committee and the Board of Directors also regularly examine the new risks the company is exposed to by collating the action plans, mitigating measures or contingency plans they consider necessary from the relevant management areas.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE INTERNAL FINANCIAL INFORMATION CONTROL SYSTEM (SCIIF).

Describe the mechanisms comprising the risk management and control systems in relation to your company's internal financial information control System (SCIIF).

F.1 The company's control environment

A report, including main characteristics, on at least:

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective Internal Financial Information Control System (hereinafter SCIIF); (ii) its implementation; and (iii) its supervision.

The SCIIF at AENA is a process designed to provide reasonable security in regard to the reliability of the financial information, and, specifically, of the annual accounts in accordance with generally accepted accounting principles.

The model of responsibilities of this system is structured via the following bodies and functions which perform, maintain and supervise the process of generating financial information:

- Board of Directors:

The Board of Directors has a Regulation that has been revised and amended. These changes were approved at the Board's meeting on 21 February 2017 and ratified at the Shareholders' Meeting on 25 April 2017.

As stipulated by this Regulation, the Board is entrusted with the following functions, among others:

- Supervising the effective operation of any Committees it has set up and the performance of any delegated bodies and managers it has appointed.
- Presenting the annual accounts, the management report and the proposal for application of the Company's profit as well as the consolidated annual accounts and management report and their presentation to the General Shareholders' Meeting.
- Determining the risk control and management policy, including policies related to taxation, and supervising the internal information and control systems.
- Approving the financial information that the Company has to report on a regular basis.
- Specifying tax strategy.

- Audit Committee:

The Board of Directors shall establish a permanent Audit Committee made up of five External Directors, as the internal informative and consultative body, to which it shall assign the following functions in relation to the information and internal control systems:

- Supervising the process of preparation, presentation and integrity of the essential financial information relating to the Company and, where applicable, the Group, presenting to the Board of Directors recommendations or proposals intended to safeguard its integrity, reviewing compliance with regulatory requirements, the adequate definition of the scope of consolidation and the correct application of accounting criteria.
- Regularly review the internal control and risk management systems so that the main risks are identified, managed and properly revealed.
- Evaluating everything relative to non-financial risks in the company, including operational, technological, legal, social, environmental, political and reputational risks.
- Supervising the effectiveness of internal control in the Company, the Internal Audit and systems of risk management, discussing with the auditor of accounts any significant weaknesses in the Internal Control System detected during the Audit, all this without impairing its independence. To this end, and where applicable, it can make recommendations or proposals to the administration body and the relevant period for their follow-up.
- Establish and supervise a mechanism that enables employees to report in a confidential manner and, if possible and appropriate, anonymously, any irregularities of potential importance, particularly financial and accounting, that they may have detected within the company.
- Ensure the independence of the unit carrying out the role of Internal Auditing; propose the selection, appointment, re-election and dismissal of the head of the Internal Audit service; propose the budget for this service; approve the approach and work plans, ensuring the activity is mainly geared towards the relevant risks of the company; receive regular information on its activities; and verify that senior management takes into account the conclusions and recommendations contained in the reports.

- Finance Department:

The Finance Department ensures the design and operation of the internal control and guarantees compliance with the targets set to ensure the reliability of the financial information regularly prepared.

In the performance of its responsibilities, the Finance Department shall report to the Internal Control Department.

- Design and implement the internal financial information control model when there are changes in the scope of consolidation (and control of the component is acquired), supporting and supervising until its full operation.
- Identify, along with the management functional unit or relevant airport, the changes to be made in the SCIIF due to modifications of risks, in processes or in systems and as a consequence update the risk and control matrices and their flowcharts.
- Receive and respond to all consultations regarding the operation of the SCIIF, either directly or with the assistance of the most appropriate experts in each case.
- Ensure the homogeneity of the SCIIF at the various levels in the Group, via continuous or sporadic assessments.
- Check the operation of the controls and that the evaluations and certifications are being carried out.
- Identify training needs in internal control and provide necessary training.
- Report to the Internal Audit Department on any change in the risks, controls and evidence in the risk and control matrices, flowcharts and the SCIIF Compliance Handbook for its consideration for the purpose of updating its review programmes, as well as report any other change that affects its configuration and definition.
- Maintain and update the SCIIF Compliance Handbook.

The people in charge of processes and airports participate in the design, review and updating of the SCIIF in the part that is applicable to them, such that their involvement, the task of the Internal Control Department and the supervision by the Internal Audit Department, enables the Finance Department to evaluate the efficiency and quality of internal control of the financial information.

- <u>Internal Audit:</u>

Aena has an Internal Audit Department which reports to the Chairman of the Board of Directors of Aena and functionally reports to the Audit Committee.

The charter of the Internal Audit Department, approved in March 2014, states that this Department's mission is to provide to the Chairman of the Company and to the Board of Directors, via the Audit Committee, the analysis, evaluation and efficient supervision of the internal control systems and management of relevant risks of the Company.

Its purposes include supervision of the reliability and integrity of financial information, both accounting and management; the procedures to record it; the information systems; the accounting and data processing; and the procedures used to share this information; and in particular to evaluate the reliability of the regulated financial information the Company has to report at regular intervals in compliance with applicable regulations as well as the SCIIF established.

F.1.2. Whether, in the process of preparation of the financial information, the following elements exist:

• Departments and/or mechanisms responsible for: (i) the design and review of the organisational structure; (ii) clearly defining the lines of responsibility and authority, with a proper distribution of tasks and functions; and (iii) that sufficient procedures exist for correct dissemination thereof in the entity.

The responsibility for the establishment of the bases of corporate organisation, in order to ensure its highest efficiency, pertains to the Board of Directors.

The Appointments and Remuneration Committee is made up of five External Directors and in charge of presenting the proposals for appointment and dismissal of senior executives and for proposing to the Board of Directors the basic terms of their contracts.

In 2018 there have been six changes in Aena's top-level management structure which have been approved at the relevant meeting of the Committee Once approved they are reported across the entire organisation through internal memos.

The Department of Organisation and Human Resources is responsible for analysing, designing and developing the organisational structure of Aena, guaranteeing it is aligned with the company's strategic targets.

The lines of responsibility, hierarchical levels and functions of each of the posts are defined in the Organisational Handbooks of each Department, where organisational charts reflect the existing hierarchical structure and the job descriptions outline the objectives, functions and jobs of each of the managerial and responsible posts in the company. All Company employees may access both the organisational chart and the directory of it via the Intranet.

In order to comply with transparency, access to public information and good governance obligations, the website provides public access to information about the organisational structure, profile of the management team, remuneration for senior positions, etc. which is presented in a clear, free and structured way.

In accordance with these lines of responsibility and authority, the Finance Department is in charge of the process of drawing up the financial information and ensuring that there are sufficient procedures to disseminate this information within the entity.

Aena has a Performance Management System (PMS) in place which analyses the outcomes achieved to evaluate and recognise work done by employees in attaining Aena's targets.

This system draws on a number of tools including the "*Foundation of the PMS System*" which sets out the general principles underlying it.

The applicable documentation and the foundations are posted on Aena's intranet so they can be viewed by all the company's employees.

• Code of conduct, approval body, extent of dissemination and instruction, principles and values included (indicating whether there are specific mentions to the recording of transactions and the preparation of financial information), body responsible for analysing defaults and proposing corrective actions and penalties.

On 24 July 2018 the Board of Directors of Aena approved the review of the Regulatory Compliance Policy along with the Code of Conduct and Operational Regulations for the Compliance Control and Supervision Body.

The Compliance Control and Supervision Body reports to the Board of Directors and has independent powers of initiative and control over all areas of the Company so it can perform the surveillance and supervision functions of the Company's General Regulatory Compliance System. It has full authority to:

- Request and obtain whatsoever information and documentation it may need to carry out its supervision and control functions on the compliance with the policies and procedures established in the Company.
- Establish, update and modify in all areas of the Company whatsoever monitoring and control measures it should deem appropriate to prevent or mitigate the risk that illegal acts may be committed in Aena, either by the Company itself and its executives or by their subordinated personnel, and giving priority to the regulatory areas which represent a greater risk for the Company.

The purpose of the Code of Conduct is to establish Aena's principles and values of ethics, integrity, legality and transparency, which should guide the conduct of everyone included within its scope of application, both among themselves and in their relations with customers, partners, suppliers and, in general, any individual and organisation, either public or private, with which they interact in the performance of their professional activity. It also fosters effective compliance with the rules applying to all these activities under the principle of zero tolerance of any type of illegal behaviour.

The section in this Code on "*General behaviour guidelines*" distinguishes between those related to the surroundings, the stakeholders and the image of Aena. Specifically, point 4.9 states that the Company's relations with customers, suppliers and partner companies must be based on respect, transparency and trust in order to obtain mutual benefit. Likewise, relations with investors and shareholders, as contained in point 4.10, should be based on transparency, trust and sustainable reciprocal benefit, and that to ensure this the principle of official channel of communication through the corporate website (www.aena.es) is established, which shall publish all the information that may be of interest to these third parties. Regarding relations with the authorities and public administrations, point 4.11 indicates that they should be guided by institutional respect and transparency. And regarding the image and corporate reputation of Aena, point 4.14 states that everyone subjected to the Code must use it correctly and adequately.

In regard to the financial information, point 4.19 of the Code of Conduct sets forth:

"*All the accounting and financial information of Aena must be prepared with reliability and rigour, ensuring at all times that the information of an economic nature that Aena might present to its shareholders and investors, the securities markets or any Administration or public or private supervisory body, is true and complete.*

In this regard, the Persons Affected by the Code of Conduct responsible for preparing the financial information of Aena must ensure that all the information reflects all of the transactions, events, rights and obligations affecting Aena, and that these have been recorded, classified and valued at the right time and in accordance with the applicable legislation, thus making sure that this information offers a true image of the equity, the financial situation, the profit and loss and cash flows of Aena.

Likewise, the persons in charge of preparing the financial information must follow all internal and external control procedures established by Aena in order to guarantee the proper accounting of the transactions and their correct reflection in the financial information published by Aena.

The Audit Committee shall supervise the process of presentation of the financial information and the efficacy of the internal control, the Internal and external Audit and the risk management systems."

The Code binds and is applicable to the members of the Board of Directors, senior management and in general to all employees of Aena or any other company wholly owned by Aena and domiciled in Spain without exception and regardless of their position, responsibility, occupation or geographical location. They are further required to be familiar with and fulfil the spirit and meaning of the Code. The document is available on the corporate Intranet and on Aena's public website.

The members of the Board of Directors consider it relevant that all employees should be familiar with the Compliance Policy and the Code of Conduct and that adequate training is provided. To this end regular online training programmes are run for all the Company's employees and Directors which involve doing a course on the corporate intranet which is designed to prevent or mitigate the risk of the commission of criminal actions at Aena and share the Company's Code of Conduct and Complaints Channel. Furthermore, in-person training has been given to the Company's Management Committee and Division heads.

Likewise, the Compliance Control and Supervision Body has set up a specific mailbox (organocumplimiento@aena.es) for queries about the Code of Conduct. Three queries have been received in 2018 which were resolved by the CCSB.

In addition to Aena's *Code of Conduct*, mentioned above, the Company also has an *Internal Code of Conduct of Securities Markets* which is accessible to everyone via the corporate website. It is applicable within the Company and the companies that are part of the Group, and it is used to set the rules for the management, control and transparent

communication of relevant information, as well as to impose certain obligations, limitations and prohibitions on the individuals affected and those with relevant information. The overarching purpose is to protect the interests of the investors in the shares of the Company and its Group and the prevent and avoid any situation of abuse, in addition to fostering and facilitating its administrators' and employees' shares in the Company's capital within the strictest respect for the laws in force.

To supplement and develop Aena's Code of Conduct and General Regulatory Compliance Policy, the Board of Directors has approved the *Anti-Corruption and Fraud Policy*. It means Aena is committed to permanent surveillance and sanctioning of fraudulent actions or conduct or any which may foster corruption in any of its forms, maintenance of effective communication mechanisms and the awareness of all employees, managers and governing bodies and building a business culture of ethics and honesty.

• A Complaints Channel for reporting to the Audit Committee of any financial and accounting irregularities as well as possible infringements of the code of conduct and irregular activities in the organisation, including, if applicable, whether it is confidential.

Aena has a confidential Complaints Channel for reporting irregularities or failures to comply with the Code of Conduct.

Under the Complaints and Irregular Action Reporting Channel Management Procedure its purpose is to provide a confidential channel for internal reporting and other notification of irregular conduct that may entail the commission of an act that runs counter to the law or the Company's policies or procedures or to the rules of action contained in Aena's Code of Conduct.

The Complaints Channel is managed by the Compliance Control and Supervision Body (CCSB) which ensures that all reports received are analysed independently and guarantees the confidentiality of the identity of the person making the complaint and the person reported by only informing the people who are strictly necessary in the process. The CCSB evaluates the complaints received, decides whether they meet the conditions to be admitted for processing, and entrusts the investigation of the complaint to the most appropriate department among its members. The CCSB follows up the complaints made and makes its final decision based on the information provided by the department which carried out the investigation.

25 complaints were received in financial year 2018, all of which were investigated by the Organisation and Human Resources Department as they were about employment issues; none of them concerned fraud or errors in financial information.

• Training and regular refresher programmes for the personnel involved in the preparation and review of the financial information, as well as the assessment of the SCIIF which at least covers accounting rules, auditing, internal control and risk management.

For the Departments involved in the preparation and review of the financial information, as well as the assessment of the Internal Control System, specific training actions on accounting rules, auditing, internal control and risk management have been carried out, to enable the persons responsible to carry out their duties correctly.

Aena also has a training plan whose main mission is to become a key factor in the achievement of strategic objectives and personal and professional development of its workers, covering both the training required for job performance and that designed for the development of the skills required to perform jobs of greater responsibilities. It includes special training in master's, languages and skills development programmes and seminars and training forums with professionals from the corresponding sectors.

1,099 people have done the programmes with 7,718 hours of training, mainly on: international accounting regulations; accounting application management; means of payment and billing; business and international taxation and transfer pricing; reporting and consolidation of financial statements; insurance management; and financial instruments.

Furthermore, training was provided in sales, internal audits, regulatory compliance and management development.

In 2018 Aena has continued with its general training pathways (in financial, audit, legal advice, compliance and other issues) whose purpose is to present basic concepts in the roles of the Company's departments. It has also set up specific financial training pathways for its staff.

Furthermore, and as mentioned in section two in point F.1.2., all employees do legal courses about the Regulatory Compliance Model which encompasses the implementation of the Code of Conduct and the establishment of the Complaints Channel. In 2018 everyone who joined the company or had not yet taken this course was asked to do it, i.e. 168 employees with structural jobs and level A and B qualifications, for a total of 336 hours, and also 226 employees at levels C and F, for 452 hours. This means that 97% of employees have now received this training. The remaining employees will be trained in 2019 to complete the workforce.

F.2 Financial reporting risk assessment

Provide information on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, regarding:

• Whether the process exists and is documented.

As explained in Chapter E of this report and in the Consolidated Annual Accounts of the Aena Group, the objectives of its business may be affected by a variety of risks inherent in its activity, the environment in which it works and its regulatory framework, as well as by certain financial risks, and specifically market risk (including the exchange rate risk and the risk of reasonable value by interest rate), credit risk and liquidity risk.

All of these risks are identified by the Company's Risk Management System and are categorised on the corporate Risk Map which was update in March 2018.

Aena has documented all SCIIF processes related to transactions, book accounts and any other financial reporting associated with risks that may involve a material error.

To this end, in order to determine the scope of the SCIIF, we consider the calculation of the materiality of the Consolidated Annual Accounts of Aena and its subsidiaries, applying both quantitative risk factors and factors inherent to the business (growth trends, unusual transactions, possible corporate transactions, processes that generate provisions, depreciations, estimates or calculations based on subjective criteria, and processes with the risk of fraud). As a result, a total of 16 processes with an impact on financial reporting have been identified, which encompass both general business and also management and support activities.

These processes describe the relevant control activities that enable an adequate sufficiently in advance response to the risks associated with the reliability and integrity of the financial information.

Based on the closed financial statements for the previous year, in every financial year the model's coverage is reviewed based on quantitative and qualitative materiality and relevant amendments are made.

The review carried out in 2018 did not find it was necessary to make changes in processes or controls in the control model applicable to Spain.

A new feature in the 2018 financial year is the extension of the SCIIF to include Luton airport in its scope based on the financial risk assessment for the airport and to ensure compliance with Aena standards.

The entire evaluation process for this airport has been added to the SAP/GRC computer platform and its evaluation has worked correctly throughout the year.

• Whether the process covers all financial reporting objectives (existence and occurrence; completeness; assessment; presentation, breakdown and comparability; and rights and obligations) and whether it is updated and how frequently.

All financial information preparation processes developed in Aena aim at recording all financial transactions, valuing the assets and liabilities in accordance with applicable legislation and breaking down the information in accordance with the requirements of regulators and needs of the market.

Aena analyses each of these material processes i

n order to ensure that the risks are reasonably covered by the Internal Control System and that this system operates efficiently. It is updated when significant changes in processes occur or as the outcome of the periodic revisions that are performed throughout the financial year.

In each of the process matrices, among other theoretical control data, the objectives of the financial information are clearly marked (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations) covered by each one.

In line with the above, Aena also keeps the theoretical documentation consisting of flowcharts and descriptions updated while making any adjustments needed when there are changes in processes.

• The existence of a process of identification of the scope of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures, instrumental entities or special purpose vehicles.

The Group encompasses all of the entities that comprise the scope of consolidation.

To identify the entities that should be part of the scope of consolidation, a procedure is implemented as part of the SCIIF reporting and consolidation process which is essentially controlled by Aena's Accounting Consolidation and Regulation divisions and the Legal Advice Department at Aena Desarrollo Internacional S.M.E., S.A., a subsidiary which currently holds the shares of companies in the group and associates which comprise Aena Group's scope of consolidation.

This procedure allows for the identification not only of those entities over which the Group is able to gain control via the voting rights granted by the direct or indirect participation in their capital, but also of those other entities over which control is exercised by other means. This procedure enables the analysis of whether the Group controls the entity, has rights there over or is exposed to the variable returns thereof, and whether it has the capacity to use its power to influence the amount of the returns. If after this analysis the conclusion is that the Group has control, the entity is added to the scope, which is revised on a quarterly basis, and is consolidated by the global integration method. If this is not the case, it is examined whether significant influence or joint control exist. If this is the case, the entity is also added to scope of consolidation and is valued according to the equity method.

• Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax compliance, reputational, environmental, etc.) insofar as these might affect the financial statements.

As was mentioned earlier in Chapter E above Aena has implemented a Risk Management System which identifies strategic, operational, financial, compliance, information and reputational risk. All risks identified are added and classified in the corporate Risk Map.

In line with the above, the financial information internal control model is applied not only to the processes of preparation of the aforementioned information, but also for all those of an operational or technical nature which may have a relevant impact on the accounting or management figures.

• Which governance body in the company supervises the process.

The supervision of the efficacy of the SCIIF is the responsibility of the Audit Committee. This function must include the risks of Aena's financial reporting targets and the controls set by senior management to mitigate them.

This supervision is carried out by the Audit Committee on three levels:

- ✓ Risk supervision and management: the risks that affect the reliability of financial information are evaluated and supervised.
- ✓ Quality and reliability supervision: supervision of the effectiveness of the internal control of the financial information and the preparation of the financial statements.
- ✓ Audit supervision: supervision of the work of internal auditors and establishment of the appropriate relations with the external auditors within the framework of their accounts auditing task.

The purposes of the Management Committee and the Audit Committee in the general process of identifying Aena's risks are described in greater detail in Chapter E above.

F.3 Control activities

State, mentioning the main features, whether your entity has at least:

F.3.1. Procedures for review and authorisation of financial information and description of the SCIIF, for publication in the securities markets, indicating persons responsible, as well as documentation describing the flows of activities and controls (including those relating to fraud risk) of the various types of transactions that might materially affect the closing of the accounts and the specific review of the relevant judgements, estimates, valuations and projections.

The Company has an *Accounting Policy Handbook* which has been recently updated for 2018 to include the amendments derived from the new IFRS applicable in 2018. This Handbook is distributed to the finance departments of the subsidiaries along with duly updated instructions on closing and reporting. Based on this *Handbook*, the economic-financial information is developed on an individual basis in each of these Group subsidiaries on a monthly basis and is reviewed by the persons in charge of the closing of the accounts in each of them.

On a quarterly basis, in accordance with the securities markets publication schedule, information on the close of each quarter is supervised in accordance with the following procedure:

- Once the quarterly closure has been carried out and verified in each of the units of the Group, in accordance with the closing instructions issued by the Financial Department, the information is sent to the Accounting Consolidation and Regulation unit, which is responsible for verifying it to then prepare the consolidated information of the Group in accordance with International Financial Reporting Standards (IFRS).
- The Financial Department, following review and supervision, presents it to the Management Committee for approval.
- Once approved, it is sent to the Audit Committee, which supervises the preparation, presentation and integrity of the mandatory financial information, compliance with regulatory requirements, proper demarcation of the scope of consolidation and the correct application of accounting criteria. It also contains the report on procedures agreed upon regarding the revision of certain consolidated financial information of the Group prepared by its external auditors.

  In the closing of the accounts which come at the end of the six-month period, the Audit Committee also gathers the conclusions of the limited review conducted by the Group's external auditors.

  Likewise, the Audit Committee must inform the Board of Directors, prior to the adoption by the Board of the relevant decisions on the financial information which, in light of its listed status, the Company must regularly make public.
- For the closing of the year, the plenary of the Board of Directors approves the formulation of the Annual Accounts, the management report and the proposed application of the Company's results, as well as the consolidated accounts and management report, and their submission to the General Shareholders' Meeting. Additionally, for the closing of the quarterly and biannual accounts, it reserves the competency to approve the financial information that the Company should periodically make public.
- Lastly, the information is published in the markets and other public bodies.

The preparation of the accounts uses estimates made by the units responsible for the risk to value some of the assets, liabilities, revenue, expenses and commitments that are contained in them. Basically these estimates refer to:

- Possible impairment of intangible assets, tangible fixed assets and investment property.
- Useful life of PPE.
- Evaluation of litigation, provisions, commitments, assets and contingent liabilities at closing date.
- Fair value of derivative financial instruments.
- Hypotheses used in the determination of liabilities for commitments to pensions and other commitments to the personnel.

Some of these accounting policies require the application of a significant degree of judgement by Management in selecting the appropriate assumptions to calculate these estimates. These assumptions and estimates are based on their historical experience, the advice of external experts, forecasts and other circumstances and expectations at the close of the period in questions. The valuation of the Management is considered in relation to the global economic situation of the industry of the Group, taking into account the future development of the business. Due to their nature, these judgements are subject to an inherent degree of uncertainty and therefore actual results may materially differ from the estimates and assumptions used. In such cases, the values of assets and liabilities would be adjusted.

As has already been mentioned in section F.2.1., in its internal control model, Aena has documented all the processes that it considers carry a risk of material impact in the preparation of the financial information. They are classified into three groups:

a) General: control environment matrix and information systems.

b) Business: aeronautical revenue, commercial revenue and parking.

c) Management and support: fixed assets, legal, procurement, human resources, tax compliance, financing, cash, budgets, accounting closing, reporting and consolidation and collections and payments.

These processes are shown via risk and control matrices, as well as flowcharts, which describe the relevant control activities that enable an adequate and sufficiently far in advance response to the risks associated with the reliability and integrity of the financial information.

As noted earlier in this chapter, Aena conducts regular reviews with the support of the functional management units to ensure that these descriptions are consistent with the actual operation of the processes.

Each SCIIF process and sub-process has a person in charge of the analysis and control of each of the risks associated with the area. In addition, each identified control area has two persons responsible for the evaluation of the efficacy, who carry out the functions of documentation and supervision, in accordance with the established systematic frequency.

To ensure proper control of the management of the SCIIF, the SAP application GRC Process Control is used to comprehensively manage the system; all the risks and processes are documented in it, and all evaluations of controls are also managed there.

The managers of the SCIIF request evidence that the controls are being made by the units involved in it, in accordance with the frequency stipulated in each case. This assessment allows, if possible, the identification and information of weaknesses and necessary action plans.

The Internal Control unit regularly presents internal reports on the operation of internal control where incidents detected and the proposed action plan are monitored.

All of Aena's internal control operations are detailed in the *Handbook for Compliance with the Internal Financial Information Control System (SCIIF)*.

F.3.2. Internal control policies and procedures for information systems (including secure access, control of changes, system operation, continuity and segregation of duties) supporting key processes regarding the preparation and publication of financial information.

In the Information Systems environment Aena has the necessary policies and procedures to cover the risks in that environment that might affect the process of preparation of financial information and gain reasonable security as to the operation of the SCIIF.

To facilitate control of those risks, Aena has implemented a solution which entails comprehensive management of the control and compliance process through the development of a matrix defined for the Information Systems process. It includes all the controls needed to mitigate the existing risks in this area. This solution is coordinated by the Company's Department of Information and Communication Technologies. This matrix is reviewed periodically by said Department and the internal control area. For the improvement recommendations identified, action plans are designed for its resolution.

Below we describe the main policies and procedures associated with the Company's information systems.

By executing an Annual Plan of Security Audits of Information Systems based on information security requirements, results from past audits and legal or regulatory requirements, the aim is to verify the situation in the production environment of security of the systems and communications, as well as detect potential technical vulnerabilities. In addition, Information Security Policies and other Information Systems regulations have been implemented which establish mechanisms of system access control, and there are also operational procedures which define the security requirements of infrastructures and developments.

Operating systems, databases and applications are continuously monitored in order to detect possible security incidents. In addition, security procedures and configurations of items associated with telecommunications networks (firewalls, routers, etc.) are reviewed, as well as response mechanisms to a potential cyber-attack or incident arising from malware infection. Tools are also available to regulate control of access to the Company's network and improve protection against advanced persistent threats while implementation of a security event and information management system is in progress.

A User Applications Management Standard has been defined and implemented, which considers the various movements that may form part of the life cycle of an entity in Aena, and guarantees that only users who have been duly authorised by their superiors may access the applications and have the right profile for the performance of their functions. An identity management tool is being implemented that will improve service quality and lessen security risks.

Through the monitoring carried out on the users accessing with administration permits or privileges to platforms and systems which support the business units, one can control that only authorised users are using the system. A tool for managing privileged accounts is being finalised which will facilitate monitoring. This tool will strengthen the monitoring of user accounts with administrative privileges (super users). Furthermore, in order to restrict access at the physical security level, an Access Procedure for Aena's DPCs has been implemented.

There is also an ICT Disaster Recovery Plan designed to ensure recovery of information systems considered as critical by the business areas and which is regularly reviewed. In addition, procedures are in place to monitor systems and applications (system availability, storage, network capacity, etc.) and make backups.

In the area of development and management of changes, methodologies based on ITIL good practices are used. It also uses a Secure Development Rule, a Change Management Policy and a Procedure for Applications Deployment to ensure the quality of the software produced, as well as an appropriate methodology when maintaining and implementing new infrastructures (networks, servers, base software, etc.).

Finally, in order to be informed of the situation of the systems at all times, Aena has an updated Systems Operation Plan featuring the information on the inventory or systems and actions planned for them.

In addition to the above and in order to complete the current security measures for information systems, Aena has a Cybersecurity Plan approved by the Board of Directors for the period 2018-2021. It has involved tenders for the following jobs which are all currently underway except the last which is scheduled to be awarded in the first half of 2019:

- ITC Security Management System. Improvement of the ICT Security Office to cover the actions envisaged in the Cybersecurity Plan. In 2018 this service implemented an ICT Security Incident Response Centre (CSIRT) which provides information security incident management services, monitors corporate systems and reviews the security rules and controls implemented in security management systems with a 24x7 point of contact for stakeholders.
- Automation of DPC infrastructure management. Tools for managing and automating ICT processes to improve efficiency and security.
- Preventing information loss and managing mobile devices. Tools to reduce information loss risks and improve security in mobile devices.
- Antivirus add-ons. New Antivirus features (Advanced Protection, Response, Remediation and White Lists).

F.3.3. Internal control policies and procedures for overseeing management of outsourced activities and the appraisal, calculation or valuation services commissioned from independent experts when these may materially affect the financial statements.

Generally speaking, Aena does not outsource any activity regarded as relevant and/or significant that could materially affect financial information.

In 2018 the only actions in this area concerned valuation of pension liabilities in a subsidiary, valuation of the Group's real estate portfolio, estimating the provision needed to meet employment commitments and similar obligations, support work for the fixed asset inventory review at some airports, and drawing up the Transfer Pricing Dossier which analyses and values transactions performed with companies considered as related parties for Aena.

In all cases, Aena assures the competency and technical and legal qualifications of the professionals hired in accordance with the evaluation and technical solvency criteria established in Aena's General Rules on Internal Contracting.

F.4 Information and communication

State, mentioning the main features, whether your entity has at least:

F.4.1. A specific function in charge of defining and maintaining accounting policies (accounting policy area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the entity's operating units.

The Consolidation and Accounting Regulation area, which is part of the Financial Department and is responsible for the preparation, implementation, communication and update of the Group's accounting policies.

It is also responsible for permanently keeping the handbook of accounting policies of the Group updated and to ensure proper dissemination of it.

To do so, this area analyses whether new accounting features affect the accounting policies of the Group as well as the date of entry into force of each of the rules. When it is deemed that the new regulations or their interpretations have an effect on the accounting policies of the Group, these are added to the handbook, also communicating this fact to the people responsible for preparing the financial information of the Group via appropriate instructions.

As noted in section F.3.1, the Group's accounting policy handbook was updated in 2018.

F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning the SCIIF.

The process of consolidation and preparation of the financial information is carried out in a centralised manner coordinated by the Consolidation and Accounting Regulations area, supervised by the Financial Department. All this process is controlled using Aena's accounting closing and reporting and consolidation matrices.

For the purposes of the preparation of the annual, six-monthly, quarterly and monthly financial information, the Group has a procedure that works in the following way to obtain the information required for its preparation:

The financial information obtained on a six-monthly basis from each individual entity is reviewed and supervised by the managers of these companies. It is homogenised centrally at Group level and reviewed by a series of established controls. This homogenised information is added via the internal consolidation tool and the necessary adjustments are made to obtain the consolidated financial statements of the Group.

In order to prepare annual, six-monthly, quarterly and monthly consolidated financial statements, there is a homogeneous reporting package which has been developed internally that allows all the information to be centrally added in relation to the breakdowns required by international regulations.

Specific controls are carried out to validate the information received at the centralised level and on the resulting consolidated financial information. These controls are designed to validate equity items, significant variations and other verifications that the Consolidation area deems necessary to ensure that the financial information has been property captured and processed.

Every year the reporting package is updated with any regulatory modifications which might have been made and require information to be received from the Group subsidiaries.

The financial information reported to the Spain's Comisión Nacional del Mercado de Valores (National Stock Market Commission - CNMV) is prepared on the basis of consolidated financial statements, as well as certain additional information reported by the subsidiaries, required for the preparation of the annual and/or six-monthly report. In parallel, specific controls are carried out to validate that information.

F.5 Supervision of the system's operation

Report, stating its main characteristics, on whether it has at least:

F.5.1. The SCIIF supervision activities carried out by the Audit Committee as well as whether the entity has an Internal Audit function whose duties include providing support to the Committee in its task of supervising the internal control system, including the SCIIF. Also state the extent of the evaluation of the SCIIF carried out in the year and the procedure used by the person carrying out the evaluation to notify its results, whether the company has an action plan that details the potential corrective measures and whether its impact on the financial information has been considered.

The Audit Committee has carried out, among others, the following activities during the year in regard to the SCIIF supervision activities:

- It has reviewed the Group's Consolidated Annual Accounts and the regular financial information – quarterly and six-monthly - that must be provided to the markets and to the regulator, ensuring compliance with regulatory requirements and the proper application in their preparation of generally accepted accounting principles.
- It has reviewed the scope of the professional mandate of the external auditors, supervising compliance with their contract and with independence requirements and regularly evaluating their results.
- It has approved the annual report on the activities of the Internal Audit Department, the budget and the annual audit plan.
- It has analysed the annual audit plan of the external auditors which includes the audit objectives based on the assessment of financial information risks, as well as the main areas of interest or significant transactions subject to review in the year.
- It has reviewed along with the external auditors and Internal Audit any recommendations for improvement of the Internal Control System detected in the course of the various auditing and review tasks, finding out about the proposed actions plans designed to resolve them.

As noted in section F.1.1., Internal Audit has functions in oversight of Internal Control. They are carried out by providing independent and objective assurance and advice designed to add value and improve the transactions in the organisation which contributes towards good corporate governance and lessens the impact of the risks in the achievement of Aena targets to reasonable levels.

The Internal Audit team leads the development of its functions with support from outside companies in certain jobs.

The scope of action of Internal Audit includes all companies that belong to the Aena Group. It is therefore a centralised function with a corporate scope which carries out its work in any national or international company, process, area or system managed by Aena or the subsidiaries it controls.

Internal Audit drafts a multi-year plan for regular review of the SCIIF that is submitted for the approval of the Audit Committee once a year. This multi-year plan involves the performance of reviews of the SCIIF for the significant processes and components of the financial statements of the Group, establishing review priorities according to risks identified and the materiality of the balances and transactions affected.

In particular, the following are reviewed: the design, effective operation and adequate documentation of key transactional and supervision codes and the general controls of the main software applications involved in the preparation of the financial information. In order to carry out its tasks, Internal Audit uses different auditing techniques, mainly interviews, analytical reviews, specific control tests and substantive tests.

The results of the work, along with the corrective measures proposed, if any, are reported to the Financial Department and to the units responsible for the audited process or centre. The implementation of these measures is subject to subsequent monitoring by Internal Audit.

During financial year 2018, Internal Audit reviewed six of the 15 corporate processes identified in Aena's SCIIF and it also reviewed SCIIF controls applicable at five of the network's airports, namely Barcelona-El Prat, Malaga Costa del Sol, Vigo, La Palma and London-Luton. Likewise, it conducted detailed follow-up of the reviews carried out in previous years.

F.5.2. Whether the company has a discussion procedure whereby the auditor (in accordance with what is set forth in the NTAs), the Internal Audit staff and other experts are able to inform senior management or company directors of any significant internal control weaknesses identified during the processes of review of the annual accounts or any others entrusted to them. In addition, state whether there is an action plan to try to correct or mitigate any observed weaknesses.

The Regulations of the Board of Directors of Aena establish that the competencies of the Audit Committee include the following:

- Regularly receive from external auditors information on the results of the execution of the audit plan and verify that senior management takes its recommendations into account.
- Establish the appropriate relations with the accounts auditor to receive information on the issues related to the accounts auditing process, as well as the communications set forth in the legislation on accounts auditing and auditing regulations.
- Discuss with the accounts auditor any significant weaknesses of the Internal Control System detected in the course of the audit.
- Ensure that the Board of Directors presents the Accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report.

In accordance with these Regulations, in the meetings prior to the preparation of the financial information held between the Audit Committee and the external auditors, any potential discrepancies in criteria are discussed. In turn, the external auditors report, as the case may be, on the main aspects for improvement of the internal control that they have identified in the course of their work.

In this respect the Audit Committee has welcomed the external auditor to five of its meetings in 2018.

In addition, the Regulations of the Board of Directors of Aena establish that the functions of the Audit Committee include receiving regular information on Internal Audit activities and verifying that senior management takes its conclusions and recommendations into account.

Internal Audit regularly monitors the incidents and recommendations included in their reports with the departments/units concerned.

Subsequently it informs both the Management Committee and the Audit Committee of the status of the main points outstanding and the evolution of the associated action plans.

F.6 Other relevant information

No other relevant information.

F.7 External auditor report

Indicate whether:

F.7.1. Whether the SCIIF information sent to the markets has been reviewed by the external auditor, in which case the company must include the corresponding report as an annex. If this is not the case, it should explain why.

Aena has considered it appropriate to ask the External Auditor to issue a report referring to the information concerning the Internal Financial Information Control System (SCIIF) in accordance with the Guide to the Auditor's Report referring to the Information concerning the Internal Financial Information Control System of listed companies, published by the National Securities Market Commission on its website.

G EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the extent to which the company has complied with the recommendations of the Code of Good Governance of listed companies.

In the event that any recommendation is not complied with or only in part, a detailed explanation of the reasons must be provided so that shareholders, investors and the market in general have enough information to judge the decision of the company. General explanations are not acceptable.

1. That the bylaws of listed companies do not limit the maximum number of votes that one shareholder may cast or contain other restrictions which hinder taking control of the company by means of acquisition of its shares on the market.

Complies X Explanation ☐

2. That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:

a) The respective areas of activity and possible business relationships between them and also those of the listed subsidiary with other group companies

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies ☐ Complies Partially ☐ Explanation ☐ Not Applicable X

3. That during the course of the ordinary General Shareholders' Meeting and in addition to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed verbal report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:

a) **Changes that have occurred since the last General Shareholders' Meeting.**

b) **Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules which were followed instead.**

Complies X Complies Partially ☐ Explanation ☐

4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and voting advisers that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

And that the company has made such policy public on its website, including information about the way it has been put into practice and identifying the contact people or others responsible for implementing it.

Complies X Complies Partially ☐ Explanation ☐

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities without pre-emptive rights in an amount greater than 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities without pre-emptive rights, the company immediately publishes reports on its website regarding such exclusions as referred to in applicable company law.

Complies X Complies Partially ☐ Explanation ☐

6. That listed companies which draw up the reports shown below, whether under obligation or voluntarily, publish them on their website sufficiently far in advance of the General Shareholders' Meeting even when their publication is not mandatory:

a) **Report on the auditor's independence.**

b) **Reports on the operation of the audit and appointments and remuneration committees.**

c) **Report from the audit committee on related-party transactions.**

d) **Report on corporate social responsibility policy.**

Complies X Complies Partially ☐ Explanation ☐

7. That the company broadcasts the proceedings of the general shareholders' meetings live via its website.

Complies X Explanation ☐

8. That the audit committee ensures the board of directors presents accounts to the general shareholders' meetings which do not have qualifications or reservations in the audit report and that, in the exceptional circumstances in which there may be qualifications, the chairman of the audit committee and the auditors clearly explain to the shareholders the content and scope of such qualifications or reservations.

Complies X Complies Partially ☐ Explanation ☐

9. That the company permanently maintains on its website the requirements and procedures for certification of share ownership, the right of attendance at general shareholders' meetings, and the exercise of the right to vote or to cast a proxy vote.

And that such requirements and procedures encourage attendance and exercise of their rights by shareholders and are applied in a non-discriminatory way.

Complies X Complies Partially ☐ Explanation ☐

10. That when a verified shareholder has exercised their right to add points to the agenda or to make new proposals for resolutions in advance of the general shareholders' meeting, the company:

a) Immediately distributes the additions and new proposals for resolutions.

b) Publishes the attendance card credential or proxy form or remote voting form with the changes required so that the new agenda items and alternative resolution proposals may be voted on under the same terms and conditions as the proposals made by the board of directors.

c) Submits all such points and alternative proposals to voting and applies the same voting rules as the ones applied to those suggested by the board of directors including, in particular, the assumptions or default positions on votes for or against.

d) That after the general shareholders' meeting it discloses the breakdown of the vote on such additional points or alternative proposals.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable ☐

11. That if the company plans to pay for attendance at the general shareholders' meeting, it establishes in advance a general and regular policy concerning such payments.

Complies ☐ Complies Partially ☐ Explanation ☐ Not Applicable X

12. That the board of directors performs its duties with unity of purpose and independent judgement, treats all shareholders in the same position equally and is guided by the best interests of the company, where this means the pursuit of a profitable and sustainable business in the long term that promotes continuity and maximisation of the economic value of the company.

And that in the pursuit of the company's interest, in addition to complying with applicable law and rules and conduct based on good faith, ethics and respect for commonly accepted best practice, it endeavours to reconcile its own company interests with any legitimate interests of its employees, suppliers, customers and other stakeholders as well as the impact of its corporate operations on the community at large and the environment.

Complies X Complies Partially ☐ Explanation ☐

13. That the board of directors has the right size to achieve effective and participative operation, which means its recommended size is between five and fifteen members.

Complies X Explanation ☐

14. That the board of directors approves a director selection policy that:

a) Is specific and verifiable.

b) Ensures that the proposals for appointment or re-election are based on prior analysis of the needs of the board of directors.

c) Encourages diversity of knowledge, experience and gender.

That the result of the prior analysis of the board of directors is contained in the explanatory report from the appointments committee that is published at the call for the general shareholders' meeting at which the ratification, appointment or re-election of each director is to be made.

And that the director selection policy promotes the target that by 2020 the number of women directors accounts for at least 30% of total directors on the board.

The appointments committee shall annually verify compliance with the director selection policy and shall report on its findings in the annual corporate governance report

Complies X Partially complies ☐ Explanation ☐

15. That the proprietary and independent directors are a substantial majority of the board of directors and that the number of executive directors is kept to a minimum, taking into account the complexity of the corporate group and the percentage share of the executive directors in the capital of the company.

Complies X Complies Partially ☐ Explanation ☐

16. That the number of proprietary directors as a percentage of total non-executive directors is not larger than the proportion between the equity interest in the company represented by such proprietary directors and the remaining share capital.

This criterion may be relaxed:

a) In companies with a high market capitalisation where there are few shareholdings that can be legally considered significant.

b) In companies in which there is a diversity of shareholders represented on the board and there are no ties among them.

Complies X Explanation ☐

17. That the number of independent directors accounts for at least half of the total number of directors.

However, when the company does not have a high level of market capitalisation or it is a high capitalisation company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the share capital, the number of independent directors represents at least one third of the total number of directors.

Complies X Explanation ☐

18. That companies disclose and update the following information about their directors on the corporate website:

a) Professional profile and biography.

b) Other boards of directors they belong to, whether or not they are listed companies, as well as other remunerated activities carried out irrespective of type.

c) Indication of the category of director to which they belong, stating in the case of proprietary directors the shareholder they represent or to which they are related.

d) Date of first appointment as director of the company as well as subsequent re-elections.

e) Company shares and options thereon which they own.

Complies X Complies Partially ☐ Explanation ☐

19. That the annual corporate governance report, following verification by the appointments committee, sets out the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital. It should also explain, where applicable, why formal requests from shareholders for a presence on the board have not been met when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors has been accepted.

Complies ☐ Complies Partially ☐ Explanation ☐ Not Applicable X

20. That the proprietary directors present their resignation when the shareholder they represent disposes of its entire equity interest. They should also resign, in the appropriate proportion, when this shareholder reduces its percentage equity interest to a level that requires a reduction in the number of its proprietary directors.

Complies ☐ Complies Partially ☐ Explanation ☐ Not Applicable X

21. That the board of directors does not propose any dismissal of any independent director before the end of the term for which they have been appointed, unless the board of directors finds just cause and following a report from the appointments committee. In particular, just cause is deemed to exist when the director takes on new positions or undertakes new obligations that prevent them from dedicating the necessary time to the tasks inherent in the role of director, fails to perform the duties inherent in their post or enters into any of the circumstances that cause them to lose their status as independent in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of takeover bids, mergers or similar corporate transactions which lead to a change in the company's shareholder structure, when such changes in the structure of the board of directors are brought about by the proportionate representation criterion referred to in recommendation 16.

Complies X Explanation ☐

22. That companies set out rules which oblige the directors to inform and, as the case may be, resign in cases that might harm the credibility or reputation of the company. In particular directors must be required to report to the board of directors any criminal actions with which they are charged and the consequent legal proceedings.

And that if a director is indicted or a court order issued to bring them to trial for any of the crimes listed in corporate legislation, the board of directors shall examine the case as soon as possible and, in light of the specific circumstances, decide whether or not the director should continue in office. And that the board of directors shall provide a reasoned explanation thereof in the annual corporate governance report.

Complies X Complies Partially ☐ Explanation ☐

23. That all directors should clearly state their opposition when they consider any proposal submitted to the board of directors to be against the company's interests. This applies in particular to independent and other directors not affected by the potential conflict of interest in the event of decisions which may harm the shareholders that are not represented on the board of

directors.

Furthermore, when the board of directors adopts significant or reiterated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and if they decide to resign, explain the reasons for their decision in the letter referred to in the next recommendation.

This recommendation is also applicable to the secretary of the board of directors, even when they are not a director.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable

24. That when whether due to resignation or any other reason a director leaves before the completion of their term, they must explain the reasons in a letter addressed to all the members of the board of directors. Irrespective of whether the resignation has been reported as price sensitive information, it must be included in the annual corporate governance report.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable ☐

25. That the appointments committee ensures that the non-executive directors have sufficient time availability to properly carry out their duties.

And that the board regulations establish the maximum number of company boards of which its directors may be members.

Complies X Complies Partially ☐ Explanation ☐

26. That the board of directors meets with the frequency required to perform its duties efficiently and at least eight times a year according to the schedule of dates and matters established at the start of the year and allowing each director individually to propose items which do not originally appear on the agenda.

Complies X Complies Partially ☐ Explanation ☐

27. That directors are only absent in unavoidable cases and such absences are quantified in the annual corporate governance report. And when a director has to be absent, they appoint a proxy with instructions.

Complies X Partially complies Explanation ☐

28. That when the directors or the secretary express a concern about any proposal or, in the case of directors, about the performance of the company and such concerns are not resolved at the board of directors meeting, they

are included in the minutes at the request of whoever has raised them.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable ☐

29. **That the company establishes the appropriate channels for directors to obtain the advice needed to carry out their duties including, if required by the circumstances, external advice at the company's expense.**

Complies X Complies Partially ☐ Explanation ☐

30. **That, irrespective of the knowledge required for directors to perform their duties, companies must also offer their directors refresher programmes when called for.**

Complies X Explanation ☐ Not Applicable ☐

31. **That the agenda for meetings clearly states the matters about which the Board of Directors is to take a decision or adopt a resolution so that the directors may study or collate all relevant information ahead of time.**

When exceptionally for reasons of urgency the chairman should wish to submit to the board decisions or agreements not on the agenda, the prior and express consent of the majority of attending directors will be necessary and will be duly recorded in the minutes.

Complies X Complies Partially ☐ Explanation ☐

32. **That the directors are regularly informed of changes in the shareholding structure and of the opinions of significant shareholders, investors and rating agencies concerning the company and its group.**

Complies X Complies Partially ☐ Explanation ☐

33. **That the chairman, as the person responsible for the efficient operation of the board of directors and in addition to carrying out their duties required by law and the bylaws, should prepare and submit to the board of directors a schedule of dates and matters to discuss; organise and coordinate the regular evaluation of the board and, if applicable, of the company's chief executive; be responsible for the management of the board and its efficiency; ensure that sufficient time is dedicated to discussion of strategic matters; and approve and review the refresher programmes for each director when so required.**

Complies X Complies Partially ☐ Explanation ☐

34. **That when there is a coordinating director, the bylaws or the regulations of the board of directors should afford them the following competencies in**

addition to those conferred by law: chair the meeting in the absence of the chairman and the deputy chairmen, if any; express the concerns of non-executive directors; liaise with investors and shareholders to find out their points of view to address their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable ☐

35. That the secretary of the board of directors should particularly ensure that in its actions and decisions the board of directors applies the good governance recommendations contained in this Code of Good Governance and which are applicable to the company.

Complies X Explanation □

36. That once a year the full board of directors meets to evaluate and where applicable adopt an action plan to remedy any shortcomings identified regarding:

a) The quality and efficiency of the operation of the board of directors.

b) The operation and composition of its committees.

c) The diversity in membership and competencies of the board of directors.

d) The performance of the chairman of the board of directors and the chief executive officer of the company.

e) The performance and input of each director, paying special attention to the heads of the various board committees.

f)

In order to evaluate the various committees, the board of directors will use a report from the committees themselves as a starting point and a report from the appointments committee for the evaluation of the board.

Every three years the board of directors shall be assisted in its evaluation by an external consultant, whose independence shall be verified by the appointments committee.

The business relationships that the consultant or any company in its group has with the company or any company in its group shall be specified in the annual corporate governance report.

The process and areas evaluated shall be described in the annual corporate governance report.

Complies X Complies Partially □ Explanation □

37. That when there is an executive committee, the proportion of each different director category must be similar to that of the board of directors itself, and its secretary is to be the secretary of the board.

Complies ☐ Complies Partially X Explanation ☐ Not Applicable ☐

The chair and its secretary are the same as on the Board of Directors, but the proportion is not the same as that of the board itself, since art. 42. 4. of the Company Bylaws and 22 (i) 3 of the Regulations of the Board of Directors, establish:

"The Executive Committee shall be formed by the Chairman of the Board of Directors, three (3) Proprietary Directors and one (1) Independent Director"

This composition is the result of the privatisation of Aena, whose privatisation committee approved the abovementioned composition and which appears in the prospectus for admission to trading.

38. That the board of directors is always aware of the matters discussed and decisions made by the executive committee and that all the members of the board receive a copy of the minutes of the executive committee's meetings.

Complies ☐ Complies Partially ☐ Explanation ☐ Not Applicable X

39. That the members of the audit committee and especially its chairman are appointed taking into account their knowledge and experience in accountancy, auditing and risk management, and that the majority of its members are independent directors.

Complies X Complies Partially ☐ Explanation ☐

40. That under the supervision of the audit committee, there must be a unit in charge of internal audits which ensures that information and internal control systems operate correctly and which reports to the non-executive chairman of the board or of the audit committee.

Complies X Complies Partially ☐ Explanation ☐

41. That the head of the unit performing the internal audit function presents its annual work plan to the audit committee, reports directly on any issues arising during the implementation of this plan, and presents an activity

report at the end of each year.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable ☐

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. In relation to information systems and internal control:

a) Supervise the process of preparation and the integrity of the financial information of the company and, if applicable, of the group, reviewing compliance with regulatory requirements, the proper demarcation of the scope of consolidation and the correct application of accounting criteria.

b) Ensure the independence of the unit which has the internal audit function; propose the selection, appointment, re-election and dismissal of the head of internal audit service; propose the budget for this service; approve its goals and work plans, ensuring that its activity is focused primarily on material risks to the company; receive information regularly on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.

c) Establish and supervise a mechanism which enables employees to report confidentially and, if possible and appropriate, anonymously any irregularities of potential importance, particularly financial and accounting ones, which they may have observed within the company.

2. In relation to the external auditor:

a) In the event of the external auditor's resignation, examine the circumstances leading to it.

b) Ensure that the remuneration of the external auditor for its work does not compromise its quality or independence.

c) Ensure that the company reports the change of auditor as price sensitive information to the CNMV along with a statement on any disagreements with the outgoing auditor and their content.

d) Ensure that the external auditor annually holds a meeting with the board of directors to inform it of the work done and the evolution of the accounting situation and risks of the company.

e) Ensure that the company and the external auditor comply with applicable rules regarding provision of services other than auditing, proportional limits on the auditor's billing and in general all other rules on the independence of the auditors.

Complies X Complies Partially ☐ Explanation ☐

43. That the audit committee may summon any employee or manager of the company, and even decide that they appear without the presence of any other manager.

Complies X Complies Partially ☐ Explanation ☐

44. That the audit committee is informed of any corporate and structural changes planned by the company for prior analysis and a report to the board of directors on their economic conditions and accounting impact and especially any exchange ratio proposed.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable □

45. That the risk and management control policy identifies at least:

a) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational) to which the company is exposed, where financial and economic risks include contingent liabilities and other off-balance sheet risks.

b) Setting the level of risk that the company deems acceptable.

c) The measures in place to mitigate the impact of identified risks, in the event that they should materialise.

d) The information and internal control systems that will be used to manage said risks, including contingent liabilities and off-balance sheet risks.

Complies X Complies Partially ☐ Explanation ☐

46. That under the direct supervision of the audit committee or, as the case may be, a specialist committee of the board of directors, an internal risk control and management function is carried out by an internal department or unit of the company that has been expressly assigned the following roles:

a) Ensure the good working order of the risk control and management systems and, in particular, that all the important risks affecting the company are identified, managed and quantified.

b) Participate actively in the preparation of the risk strategy and in important decisions on risk management.

c) Ensure that the risk control and management systems adequately mitigate the risks as defined by the policy issued by the board of directors.

Complies X Complies Partially ☐ Explanation ☐

47. That the members of the appointments and remuneration committee - or of the appointments committee and the remuneration committee, if separate – are appointed ensuring that they have the knowledge, ability and experience required for the duties they are to perform and that the majority of such members are independent directors.

Complies X Complies Partially ☐ Explanation ☐

48. That high market capitalisation companies have separate appointments committee and remuneration committee.

Complies □ Explanation X Not Applicable □

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

Consequently, it is held that it would be impractical and totally inefficient to split the Appointments and Remunerations Committee into two separate committees since the above regulations specify that the Ministry of Finance and Public Administration has authority over remuneration issues.

49. That the appointments committee consults with the chairman of the board of directors and the chief executive of the company especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates they consider appropriate to fill a vacancy on the board of directors.

Complies X Complies Partially ☐ Explanation ☐

50. That the remuneration committee performs its duties with independence and that, in addition to the functions assigned to it by law, it has the following:

a) Propose to the board of directors the basic conditions of employment for senior managers.

b) Verify compliance with the remuneration policy established by the company.

c) Regularly review the remuneration policy applied to directors and senior managers, including share remuneration packages and their application, as well as guarantee that their individual remuneration is in line with that paid to other directors and senior managers of the company.

d) Ensure that potential conflicts of interest do not undermine the independence of the external advice provided to the committee.

e) Verify the information on remuneration of directors and senior manages contained in the various corporate documents including the annual director remuneration report.

Complies □ Complies Partially X Explanation □

The functions mentioned in this Recommendation are included in art. 24 of the Regulations of the Board of Directors which regulates the competencies of the Appointments and Remuneration Committee, although it cannot fulfil some of them or act independently in matters involving remuneration as it is subject to prevailing public regulations.

51. That the remuneration committee consults with the chairman and chief executive of the company, especially in matters relating to executive directors and senior managers.

Complies ☐ Complies Partially ☐ Explanation X

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

The remuneration of the directors is predetermined by public regulation set by the Ministry of Finance and Public Administration which prevails over corporate enterprises regulation, and therefore the appointments and remunerations committee has no authority to make changes with respect to remuneration issues concerning the chairman and chief executive of the company.

52. That the rules of composition and operation of the supervisory and control committees are included in the regulations of the board of directors and are consistent with those applicable to legally mandatory committees in accordance with the above recommendations, including:

a) That they are exclusively made up of non-executive directors with a majority of independent directors.

b) That their chairmen are independent directors.

c) That the board of directors designates members of these committees taking into consideration the knowledge, abilities and experience of the directors and the tasks of each committee and discusses their proposals and reports; and that it reports on their activities and work performed at the first full board meeting held after their meetings.

d) That the committees are able to call in outside advice when deemed necessary for the performance of their duties.

e) That minutes are drawn up of their meetings and made available to all directors.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable ☐

53. That verification of compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy is assigned to one or several committees of the board of directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee, if any, or a specialist committee that the board of directors decides to set up for this purpose in the exercise of its powers of self-organisation, and to which at least the following duties are specifically assigned:

a) Supervision of compliance with the internal codes of conduct and corporate governance rules of the company.

b) The supervision of the communication strategy and relationship with investors and shareholders, including small- and medium-sized shareholders.

c) Regular evaluation of the suitability of the company's corporate governance system in order to ensure it fulfils its purpose of promoting the company's interest and takes into account, where applicable, the legitimate interests of all other stakeholders.

d) Review of the company's corporate social responsibility policy, ensuring that this is geared towards value creation.

e) Follow-up of corporate social responsibility strategy and practice and evaluation of degree of compliance.

f) Supervision and evaluation of the way relations with stakeholders are handled.

g) Evaluation of all issues related to the company's non-financial risk, including operational, technological, legal, social, environmental, political and reputational risks.

h) Coordination of the process for reporting non-financial information and on diversity in accordance with applicable regulation and international benchmarks.

Complies X Complies Partially ☐ Explanation ☐

54. That the corporate social responsibility includes the principles or commitments the company voluntarily takes on in its relationship with its stakeholders, and identifies at least:

a) The objectives of the corporate social responsibility and the development of support instruments.

b) Corporate strategy related to sustainability, the environment and social issues.

c) Specific practices related to: shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and prevention of unlawful conduct.

d) The methods or systems to monitor results of the application of the specific practices mentioned in the previous point, associated risks and their management.

e) The supervision mechanisms for non-financial risk, ethics and business conduct.

f) The channels for communication, participation and dialogue with stakeholders.

g) Responsible communication practices that impede tampering with information and protect honour and integrity.

Complies X Complies Partially ☐ Explanation ☐

55. That the company reports in a separate document or in the management report on matters concerning corporate social responsibility and using internationally recognised methodologies for this purpose.

Complies X Complies Partially ☐ Explanation ☐

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the time, qualifications and responsibility demanded by their posts, while not being so high as to compromise the independent judgement of non-executive directors.

Complies □ Explanation X

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

Consequently, the remuneration of directors is predetermined by public regulation which prevails over corporate enterprises regulation and therefore the Company cannot change such remuneration to adapt it to the requirements contained in this recommendation.

57. That only executive directors should receive variable remuneration linked to the results of the company and personal performance, as well as remuneration by way of shares, options or rights to shares or instruments whose value is indexed to share value and long-term savings systems such as pension plans, retirement schemes and other pension systems.

Shares may be given to non-executive directors on condition that they retain such shares until they leave their posts as directors. This shall not apply to any shares that the director may need to sell to meet the costs related with their acquisition.

Complies ☐ Complies Partially ☐ Explanation X

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

The remuneration of executive directors, including variable remuneration, is predetermined by public regulation which prevails over corporate enterprises regulation and therefore the Company cannot change such remuneration to adapt it to the requirements contained in this recommendation.

58. That in the event of variable remuneration, remuneration policies should include limits and administrative safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and is not only based on general developments in the markets or in the sector in which the company operates or other similar circumstances.

And in particular that variable remuneration components:

a) Are tied to pre-established and measurable performance criteria and that such criteria take into account the risk accepted to achieve a given outcome.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and risk management and control policies.

c) Are based upon balancing objectives in the short, medium and long term which makes it possible to reward continuous performance over a period of time long enough to assess its contribution to sustainable value creation so that the items used to measure this performance are not solely one-off, occasional or extraordinary events.

Complies ☐ Complies Partially ☐ Explanation X Not Applicable ☐

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

Consequently, the remuneration of directors, which does not include variable remuneration for non-executive directors, is predetermined by public regulation which prevails over corporate enterprises regulation and therefore the Company cannot change such remuneration to adapt it to the requirements contained in this recommendation.

59. That payment of a material portion of variable remuneration components is deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies ☐ Complies Partially ☐ Explanation X Not Applicable ☐

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

Consequently, the remuneration of directors, which only includes variable remuneration for the executive director, is predetermined by public regulation which prevails over corporate enterprises regulation and therefore the Company cannot change the conditions of payment of such remuneration to adapt it to the requirements contained in this recommendation.

60. That the remuneration related to company results takes into account any reservations which might be contained in the external auditor's report which would diminish such results.

Complies ☐ Complies Partially ☐ Explanation X Not Applicable ☐

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

Consequently, the remuneration of directors is predetermined by public regulation which prevails over corporate enterprises regulation and therefore the Company cannot take into account any reservations which might be contained in the external auditor's report in regard to remuneration linked to the company's results when such reservations diminish the results.

61. That a material portion of the variable remuneration paid to executive directors is linked to the delivery of shares or financial instruments indexed to their value.

Complies ☐ Complies Partially ☐ Explanation X Not Applicable ☐

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

Consequently, the remuneration of directors, which only includes variable remuneration for the executive director, is predetermined by public regulation which prevails over corporate enterprises regulation and does not provide for a material portion of the executive directors' variable remuneration being linked to the delivery of shares or financial instruments indexed to their value.

62. That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration and may not exercise options or rights until at least three years have elapsed since they were assigned such shares.

This shall not apply to any shares that the director may need to sell to meet the costs related with their acquisition.

Complies ☐ Complies Partially ☐ Explanation X Not Applicable ☐

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

Consequently, the remuneration of directors is predetermined by public regulation which prevails over corporate enterprises regulation and does not provide for a material portion of the executive directors' variable remuneration being linked to the delivery of shares or financial instruments indexed to their value, and therefore the Company cannot comply with this recommendation.

63. That contractual agreements include a clause which allows the company to claim reimbursement of variable remuneration components when the payment has not been in line with performance criteria or when they have been paid on the basis of data that has subsequently been proven to be inaccurate.

Complies ☐ Complies Partially ☐ Explanation X Not Applicable ☐

Aena, S.M.E., S.A., is a listed State-owned corporation which, in accordance with the Report by the Government Attorney's Office dated 15 February 2016, is subject to the applicable regulations governing the public sector which prevail over private law regulations given the imperative and special character of public regulations.

Specifically, in terms of remuneration Aena, S.M.E., SA is subject to the public remuneration policy mainly set in Royal Decree Act 3/2012, of 10 February, on urgent measures relating to remuneration for public sector heads and managers and its implementing regulations, in particular Royal Decree 451/2012, of 5 March, and the Ministry of Finance and Public Administration Order of 8 January 2013.

As a result of the foregoing, both the remuneration of the directors and the contractual clauses related thereto are predetermined by public regulation which prevails over corporate enterprises regulation and the Company cannot adapt them to this recommendation.

64. That payments for contract termination do not exceed an amount equivalent to two years of total annual remuneration and that such payments are not made until the company has been able to verify that the director has met all previously established performance criteria.

Complies X Complies Partially ☐ Explanation ☐ Not Applicable ☐

H OTHER INFORMATION OF INTEREST

1. If there are any material aspects relating to corporate governance of the company or the group entities which have not been addressed in this report but which ought to be included in order to provide more complete and well-grounded information about the structure and practices for governance in the company or its group, briefly describe them.

2. Any other information, clarification or qualification related with the foregoing sections of the report may be included in this section provided they are significant and not repetitive.

   Specifically, state whether the company is subject to corporate governance legislation other than that of Spain and, if so, include the information you are obliged to provide if different to that required in this report.

   "Complies" has been indicated in recommendation 46 of section G of this report due to the following:

As is described in paragraph E of this Annual Corporate Governance Report, among the responsibilities of the Internal Audit Department of Aena is coordination of the activities defined in the Risk Control and Management Policy; the supervision of the proper operation of the Risk Management System; the homogenisation and consolidation of the information regarding risk identification and assessment and its relevant monitoring areas, prepared by the corporate and operational areas.

In addition, within the framework of its independent assurance activity, Internal Audit carries out regular audits of certain risks, analysing the risk management strategy and making the recommendations for improvement deemed appropriate.

3. The company may also state whether it has voluntary adhered to other codes of ethics or good practices whether international, sector or other. If so, identify the code in question and date of adhesion. In particular, state whether the company has adhered to the Code of Good Tax Practices of 20 July 2010.

   At the meeting of the Board of Directors held on 21 February 2017, the Company agreed to adhere to the Code of Good Tax Practices drawn up by the Tax Agency and the Large Companies Forum and reported to the Agency on 11 April 2017. The purpose of this Code is to enhance transparency and cooperation in the Company's tax compliance practice and to increase legal certainty in the interpretation of tax regulations.

This annual corporate governance report has been approved by the Board of Directors of the company at its meeting on 26 February 2019.

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

Yes ☐ No X

Name of company name of the director who has not voted in favour of the approval of this report	Reasons (against, abstaining, not attending)	Explain the reasons
Remarks		

KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of Aena S.M.E., S.A. for 2018

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Directors of Aena S.M.E., S.A.

As requested by the Board of Directors of Aena S.M.E., S.A. (the "Company") and in accordance with our proposal letter dated 3 December 2018, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of Aena S.M.E., S.A. for 2018, which summarises the Company's internal control procedures for annual financial reporting.

The Directors are responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on the system of internal control over financial reporting of listed entities, published on the website of the Spanish National Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2018 described in the attached Information concerning the ICFR. Consequently, had additional procedures other than those defined in the aforementioned Guidelines been applied, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.

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Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to prevailing legislation regulating the audit of accounts in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the description of the ICFR, the Annual Corporate Governance Report model set out in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013, subsequently amended by CNMV Circular 7/2015 of 22 December 2015 and CNMV Circular 2/2018 of 12 June 2018 (hereinafter, the CNMV Circulars).
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the Board of Directors, audit committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.

This report has been prepared exclusively in the context of the requirements established in article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of the ICFR in Annual Corporate Governance Reports.

KPMG Auditores, S.L.

(*Signed on original in Spanish*)

Manuel Martín Barbón
26 February 2019