

**PROPOSAL AND REPORT BY THE BOARD OF DIRECTORS OF PARQUES
REUNIDOS SERVICIOS CENTRALES, S.A., REGARDING THE
RATIFICATION AND REELECTION OF MR. JOSÉ DÍAZ GÓMEZ AS
EXECUTIVE DIRECTOR, INCLUDED ON ITEM ELEVEN OF THE AGENDA
OF THE GENERAL SHAREHOLDERS MEETING TO BE HELD ON 28 MARCH
ON FIRST CALL AND 29 MARCH 2019 ON SECOND CALL**

1. INTRODUCTION

This report has been prepared by the Board of Directors of Parques Reunidos Servicios Centrales, S.A. (the “**Company**”), in accordance with the provisions of paragraph 5 of article 529 *decies* of the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Spanish Companies Act**”) and its aim is to provide grounds for the proposal to be submitted for approval by the General Shareholders Meeting of the Company called for 28 March on first call and 29 March 2019 on second call, under item eleven of the agenda..

In accordance with the provisions of said article, the proposal to appoint or re-elect members of the Board of Directors who do not have the category of independent directors (as in this case) corresponds to the Board of Directors. This proposal must be accompanied by an explanatory report by the Board of Directors assessing the competence, experience and merits of the proposed candidate, based on a report by the Appointments and Remunerations Committee, in accordance with paragraph 6 of article 529 *decies* of the Spanish Companies Act.

This report aims (i) to justify the proposal of ratification and reelection of Mr. José Díaz Gómez as director of the Company with the category of executive director; and (ii) to assess the competence, experience and merits of the proposed candidate, based on the said prior report from the Company’s Appointments and Remunerations Committee.

The report by the Appointments and Remunerations Committee is attached as an Appendix to this report.

For the purpose of article 518.e) of the Spanish Companies Act, this report contains full information on the identity, CV and category to which the proposed candidate belongs.

Consequently, the Board of Directors of the Company issues this proposal and report on the ratification and reelection of Mr. José Díaz Gómez as executive director of the Company, which has been approved by the members of the Board at their meeting on 26 February 2019.

2. JUSTIFICATION OF THE PROPOSAL

2.1 Professional and personal background

Mr. José Díaz Gómez is a candidate that possesses a long professional career and a large experience in the leisure and entertainment sector. Throughout his professional career, Mr. Díaz has held relevant positions in companies across different sectors, among which can be highlighted his positions as General Manager in Continente, Marketing & Loyalty General Manager in Continente –and later in Carrefour–, General Manager in AsproOcio, and Chief Executive Officer in Aurgi. In addition to the above, Mr. Díaz possesses a specially in-depth knowledge of the industry —given that he was General Manager at AsproOcio— and of the Company, given that between 2004 and 2013 he held the position of general manager and later on chief executive officer of Parques Reunidos.

Additionally, it must be noted that Mr. Díaz holds a degree in Law and in Business Administration by the Comillas Pontifical University (ICADE), with an MBA by the IESE (Company Senior Management Programme). Moreover, during recent years Mr. Díaz has continued his education and has attended various courses in Online Marketing, Neuro-linguistic Programming, Mindfulness and Psychology.

Taking into account the above, in the opinion of this Board of Directors the candidate is a person with renowned prestige and professional competence, with an in-depth knowledge of the business sector and the activity of the Company –especially due to his position as general manager and chief executive director of the Company until 2013–.

As a consequence, the Board of Directors considers that the candidate meets the requirements of renowned honorability, suitability, professional ability, competence, experience, qualifications, education, availability and commitment that are inherent and necessary to be appointed as Company director, as established by the Company's Directors Selection Policy.

2.2 Report by the Appointments and Remunerations Committee and evaluation of the candidate

The Board of Directors, in view of Mr. Fernando Eiroa's resignation as member of the Board of Directors and chief executive officer of the Company, on 4 October 2018, agreed to initiate the according process to evaluate the appointment of a director to fill the vacancy that had been produced, in accordance to the Company's Directors Selection Policy.

Once this process began, the Appointments and Remunerations Committee carried out an analysis of the needs of the Board of Directors. On the basis of this analysis and taking into account the foregoing, the Board of Directors concluded that a new executive director must be appointed. This executive director would be appointed by means of the co-option (*cooptación*) system to fill Mr. Fernando Eiroa's vacancy, who was appointed as director of the Company for a six-year term on 28 January 2016 –statutory term that was in force at the moment of his appointment and that, due to the Company's initial public offering, decreased to the current statutory term of four years–.

In this regard, and in relation to the appointment of the new director, the Board of Directors issued the corresponding mandatory report, reporting in favor of the appointment of Mr. José Díaz Gómez as member of the Board of Directors, after having taken into consideration:

- (i) the conclusions obtained in the selection process, that was carried out with the assistance of a prestigious head-hunter firm of evaluation and selection of directors and during which a variety of candidates were evaluated;
- (ii) the candidate's deep knowledge of the leisure park industry and of the Company's business, given his strong track record as managing director and chief executive officer of the Company until 2013;
- (iii) his potential contributions as director, giving his point of view and deep knowledge of the leisure park industry;
- (iv) the receipt of positive responses from the other directors, and particularly the independent directors, with respect to his appointment as director of the Company, with the category of executive —as explained in section 4 below—;

- (v) his highly qualified professional profile and track record that is appropriate for performing the duties of director, and his demonstrable solvency, competence and experience, as well as the combination of attributes and skills needed to head up the duties of the Board of Directors and the ones particular to his position, as first executive of the Company; and
- (vi) the needs of the Board of Directors with respect to the members who make it up.

All the above made clear that his appointment as director of the Company would provide significant advantages to this management body.

The Board accepts the report from the Appointments and Remunerations Committee, considering that the professional profile of Mr. José Díaz Gómez, his track record and international prestige evidence that he meets the appropriate competence, experience and merits requirements to serve the position of director of the Company, in accordance to the Company's Directors Selection Policy in force.

2.3 Justification

Within the framework of the above, and in accordance with the provisions of the Directors Selection Policy, the Board of Directors considers that for a Company director to carry out his duties of supervision and control and the rest of the duties inherent to his position well, he must properly combine the following:

- (i) accredited competence and experience;
- (ii) expertise in, among others, the investments areas in which the Company engages in its business;
- (iii) possibility of dedication and involvement in the Company's business; and
- (iv) knowledge that is additional and supplementary to that inherent to the Company's activity.

The track record and CV of Mr. José Díaz Gómez accredits his competence and merits to serve in the position of director. His solid professional career and profound knowledge of the business sector of leisure parks and the Company's activities guarantee appropriate continuity in the management of the Company's interests. In particular, the Board of Directors has taken

into account the in-depth knowledge of the industry and the portfolio of the Company, due to his positions in other companies of the leisure parks industry and his position as general manager and chief executive officer of the Company until 2013.

Because of the above, as well as the reasons given by the Appointments and Remunerations Committee for this appointment (which this body accepts) the Board of Directors considers the appointment of Mr. José Díaz Gómez as Company director by means of the co-option system justified and convenient. The Board is convinced that he will contribute continuity to the management of the Company and the group.

2.4 Category

Given that it is planned that Mr. José Díaz Gómez performs executive duties in the Company as a consequence of his appointment as chief executive officer, the Board of Directors considers that he should be included in the executive director category.

2.5 Conclusions of the Board of Directors

Given the above, the Board of Directors considers the appointment justified and proposes that Mr. José Díaz Gómez be ratified and re-elected director, with the category of executive director. The Board of Directors proposes his ratification and re-election to the General Shareholders Meeting to be held on 28 or 29 March 2019 on first or second call, respectively, under item eleven of the agenda.

3. PROPOSED RESOLUTION

The proposed resolution submitted for the approval of the General Shareholders Meeting reads as follows:

“ITEM ELEVEN OF THE AGENDA

Ratification, where appropriate, of the appointment and reelection of Mr José Díaz Gómez as director, with the category of executive director, for the statutory period of four years.

Ratify the resolution adopted by the Board of Directors at its meeting held on 28 January 2018 by virtue of which it designated Mr José Díaz Gómez, of legal age, of Spanish nationality with Spanish Id. number [...] in force and with domicile for these purposes at

Paseo de la Castellana, 216, planta 16, 28046 Madrid, Spain, as executive director by the co-optation system; and based on the proposal of the Board of Directors and with the favourable report of the Appointments and Remunerations Committee, re-elect him as director of the Company with the category of “executive director” for the statutory period of four years.

The proposed reappointment is accompanied by a supporting report from the Board, evaluating the competence, experience and merits of Mr José Díaz Gómez, as well as the report from the Appointments and Remunerations Committee mentioned above. These reports have been made available to the shareholders as from the publication of the notice of the General Meeting of Shareholders.

Mr José Díaz Gómez may accept his appointment by any means valid in law.”

Madrid, 26 February 2019.