

**PROPOSAL AND REPORT BY THE BOARD OF DIRECTORS OF PARQUES
REUNIDOS SERVICIOS CENTRALES, S.A. IN RELATION TO THE
APPOINTMENT AS PROPRIETARY DIRECTOR OF MR. JAVIER FERNÁNDEZ
ALONSO, INCLUDED ON ITEM SIX OF THE AGENDA OF THE GENERAL
SHAREHOLDERS MEETING TO BE HELD ON 16 MARCH AT THE FIRST
CALL AND 17 MARCH AT THE 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 reinstated 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**”). Its aim is to provide grounds for the proposal to be submitted for approval by the General Shareholders Meeting of the company called for 16 March at the first call and 17 March 2017 at the second call, under item six 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 Remuneration Committee, in accordance with paragraph 6 of article 529 *decies* of the Spanish Companies Act.

This report aims (i) to justify the proposal to the General Meeting to appoint Mr. Javier Fernández Alonso as director of the Company, with the category of “proprietary 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 Remuneration Committee.

The report by the Appointments and Remuneration 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.

Based on this, the Board of Directors of the Company issues this proposal and report on the appointment of Mr Javier Fernández Alonso as a proprietary director of the Company, which has been approved by the members of the Board at their meeting on 7 February 2017.

2. JUSTIFICATION OF THE PROPOSAL

2.1 Professional and personal background

Mr. Javier Fernández Alonso holds a degree in Business administration from the University of Deusto.

Mr. Fernández is currently Investments Officer of Corporación Financiera Alba, S.A. He is also a member of the Investments Committee and the Investors Committee of Artá Capital S.G.E.I.C., S.A. He is director and member of Board committees of the following entities: Euskaltel, S.A., Ebro Foods, S.A., Artá Capital S.G.E.I.C., S.A. and Deyá Capital S.C.R., S.A.

He has been a director of Acerinox, S.A., Clínica Baviera, S.A., ACS, Actividades de Construcción y Servicios, S.A., ACS, Servicios y Concesiones, S.L., Dragados, S.A., Ocibar, S.A., Antevenio, S.A., IslaLink, S.A. and 360 Corporate Finance, S.A. Previously, he advised in merger and acquisition transactions in Spain and Portugal at Goldman Sachs Inc. and ABN Amro N.V.

To sum up, in the opinion of this Board of Directors, the candidate is a with person renowned prestige and professional competence who 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 Remuneration Committee and evaluation of the candidate

The Board of Directors began the corresponding process to evaluate the appointment of Mr Javier Fernández Alonso as a director of the Company (with the category of proprietary

director representing the shareholder Corporación Financiera Alba, S.A.) in view of the following: (i) the sale by the entities belonging to companies or funds managed by Arle Capital Partners Limited, of shares in the Company representing 9.41% of its share capital (as notified to the National Securities Market Commission - *Comisión Nacional del Mercado de Valores*) (the “**Placement**”); (ii) the resignation of Mr. John Arney (proprietary director representing Arle Capital Partners Limited) as a member of the Board with effects as from the conclusion of the General Meeting; and (iii) the acquisition within the Placement process by Corporación Financiera Alba, S.A. of shares in the Company to increase its total holding to 14.83% of the share capital.

In this regard, the Appointments and Remuneration Committee issued the required prior report with a favourable opinion on the proposed appointment of Mr Javier Fernández Alonso as proprietary director of the Company, in view of, among other factors:

- (i) the reception of positive feedback from the other directors, and particularly the independent directors, with respect to his appointment as proprietary director of the Company;
- (ii) his potential contributions as proprietary director, giving his point of view and knowledge of the market and, in particular, as an expert and representative of an institutional investor; and
- (iii) his highly qualified professional profile that is appropriate for the duties of proprietary director, and his demonstrable solvency, competence and experience, as well as the combination of attributes and skills needed to head up the duties of supervision currently carried out by the Board of Directors.

All the above makes clear that his appointment as proprietary director of the Company will provide significant advantages to this management body.

The Board accepts the report from the Appointments and Remuneration Committee, considering that the professional profile of Mr. Javier Fernández Alonso, 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.

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. Javier Fernández Alonso accredits his competence and merits to serve in the position of director. His extensive experience and profound knowledge guarantee appropriate continuity in the management of the Company's interests. Because of the above, as well as the reasons given by the Appointments and Remuneration Committee for this appointment (which this body accepts) the Board of Directors considers the appointment of Mr. Javier Fernández Alonso as Company director justified and convenient. The Board is convinced that he will contribute continuity to the management of the Company and the group.

2.4 Category

Mr. Javier Fernández Alonso will represent Corporación Financiera Alba, S.A., a shareholder with a significant holding in the Company, on the Board of Directors. In accordance with the provisions of applicable law, the candidate will therefore have the category of proprietary director of the Company.

2.5 Conclusions of the Board of Directors

Given the above, the Board of Directors considers the appointment justified and proposes that Mr. Javier Fernández Alonso be appointed director, with the category of proprietary director. The Board of Directors proposes his appointment to the General Shareholders Meeting to be

held on 16 or 17 March 2017 at the first or second call, respectively, under item six of the agenda.

3. PROPOSED RESOLUTION

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

“ITEM SIX ON THE AGENDA

Appointment of Mr. Javier Fernández Alonso as director, with the category of “proprietary director”, for the statutory period of four years, to replace the director Mr. John Arney, who presented his resignation with effects as from the conclusion of the General Shareholders Meeting

At the proposal of the Board of Directors, and with a favourable report from the Appointments and Remuneration Committee, appoint Mr. Javier Fernández Alonso, of legal age, of Spanish nationality, with Spanish Id. number [...] and with domicile for these purposes at Paseo de la Castellana, 216, 28046 Madrid, Spain, as director of the Company with the category of “proprietary director” to replace the director Mr. John Arney, who presented his resignation with effects as from the conclusion of the General Meeting.

The proposed appointment is accompanied by a supporting report from the Board, assessing the competence, experience and merits of Mr. Javier Fernández Alonso, as well as the report from the Appointments and Remuneration Committee mentioned above. These reports have been made available to the shareholders since the publication of the notice calling the General Meeting.

Mr. Javier Fernández Alonso may accept his appointment by any means valid in law.”

Madrid, 7 February 2017

ANNEX

REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF PARQUES REUNIDOS SERVICIOS CENTRALES, S.A. IN RELATION TO THE APPOINTMENT AS PROPRIETARY DIRECTOR OF MR. JAVIER FERNÁNDEZ ALONSO, INCLUDED UNDER ITEM SIX OF THE AGENDA OF THE GENERAL SHAREHOLDERS MEETING TO BE HELD ON 16 AND 17 MARCH 2017 AT FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

The Board of Directors of Parques Reunidos Servicios Centrales S.A. (the “**Company**”) is considering to propose the appointment of Mr. Javier Fernández Alonso as director of the Company.

In accordance with the provisions of paragraph 6 of article 529 *decies* of the reinstated 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**”), the proposal for the appointment of any director must also be backed by a report from the Appointments and Remuneration Committee.

The present report complies with this legal obligation.

2. PURPOSE OF THE REPORT

The report is prepared with the aim of complying with the provisions of paragraph 6 of article 529 *decies* of the Spanish Companies Act.

3. ASPECTS CONSIDERED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE

The Board of Directors began the corresponding process to evaluate the appointment of Mr Javier Fernández Alonso as a director of the Company (with the category of proprietary director representing the shareholder Corporación Financiera Alba, S.A.) in view of the following: (i) the sale by the entities belonging to companies or funds managed by Arle Capital Partners Limited, of shares in the Company representing 9.41% of its share capital (as notified to the National Securities Market Commission - *Comisión Nacional del Mercado de*

Valores) (the “**Placement**”); (ii) the resignation of Mr. John Arney (proprietary director representing Arle Capital Partners Limited) as a member of the Board with effects as from the conclusion of the General Meeting; and (iii) the acquisition within the Placement process by Corporación Financiera Alba, S.A. of shares in the Company to increase its total holding to 14.83% of the share capital.

Once this process has begun, the Appointments and Remuneration Committee carried out an analysis of the needs of the Board. Taking into account the provisions of the above paragraph, this Committee has concluded that, after the resignation of Mr. John Arney, and taking into account that the number of board members has been set at seven by the then sole shareholder of the Company, a director must be appointed to replace the said proprietary director.

This Appointments and Remuneration Committee has taken into consideration:

- (i) the receipt of positive responses from the other directors, and particularly the independent directors, with respect to his appointment as proprietary director of the Company;
- (ii) his potential contributions as proprietary director, giving his point of view and knowledge of the market, and in particular, as an expert and representative of an institutional investor; and
- (iii) his highly qualified professional profile that is appropriate for performing the duties of proprietary director, and his demonstrable solvency, competence and experience, as well as the combination of attributes and skills needed to head up the duties of supervision currently carried out by the Board of Directors.
- (iv) the needs of the Board of Directors with respect to the members who make it up.

4. CONCLUSIONS OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

In light of the above, the Appointments and Remuneration Committee considers the appointment of Mr. Javier Fernández Alonso justified and issues a favourable report on his appointment as director of the Company, supporting the proposal of the Board of Directors.



This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

5. CATEGORY OF DIRECTOR TO WHICH HE BELONGS OR MUST BE ASSIGNED

Mr. Javier Fernández Alonso will represent Corporación Financiera Alba, S.A., a significant shareholder of the Company, on the Board of Directors. In accordance with applicable law, the candidate will therefore have the category of “proprietary director” of the Company.

Madrid, 7 February 2017