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**REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION
COMMITTEE OF PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
BASED ON THE PROPOSED AGREEMENT ON THE AMENDING OF THE
COMPANY REMUNERATION POLICY, INCLUDED IN ITEM EIGHTH OF THE
AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING TO BE
HELD ON 21 AND 22 MARCH 2018, ON FIRST AND SECOND CALL,
RESPECTIVELY**

1. OBJECT OF THE REPORT

Under article 529 novodecies of the consolidated text of Spanish Companies Law, enacted by Royal Legislative Decree 1/2010, of 2 July ("**Companies Law**"), as well as article 15.5.(v) of the Rules of the Board of Directors of Parques Reunidos Servicios Centrales, S.A. ("**Parques Reunidos**" or "**Company**"), the Appointments and Remuneration Committee, in its meeting of 7 February 2018, prepared and approved this report to justify and explain the proposed amendment of the Company Remuneration Policy, which will be brought to the Board of Directors so that the Board, in turn, can submit it for approval at the General Shareholders' Meeting of Parques Reunidos.

The aforementioned proposal, whose full text is in the Exhibit hereto has the purpose of (i) conferring greater flexibility to the Board of Directors in order to determine the annual fixed remuneration of each of the board members in their capacity as such, without amending the aforementioned limits in order to allow the Company to attract and retain the best professionals; (ii) include the amendments necessary for implementing a new long-term incentive plan for the Company, subject to the approval of this Ordinary Shareholders' Meeting under item Nine of the agenda, and that further involves the handing over of options for Company shares in favor of the Company CEO; and (iii) reflect the new maximum annual amount of remuneration for the members of the Board of Directors in their capacity as such, likewise subject to approval of this Ordinary Shareholders' Meeting, under item Ten of the agenda, as well as other adjustments and minor changes that are not related to the above points (e.g. dates, section numbers, technical adjustments to remove possible contradictions or repetitions, certain inclusions deriving from the applicable regulations, etc.).

The remaining terms of the Remuneration Policy approved by the then sole shareholder of the Company on 13 April 2017 will remain unchanged.

2. JUSTIFICATION OF THE PROPOSED AMENDMENTS

2.1 Amendment of the section relating to the fixed annual remuneration of the members in their capacity as such

In line with article 529 septdecies of the Companies Law, the Appointments and Remuneration Committee considers it important that, in certain circumstances, the Company Board of Directors have the power to moderate the fixed remuneration assigned to each of the board members due to their status as such.

Specifically, the Committee understands that the Board of Directors must have the capacity to reduce the amount to be received by each of the members when, as a result of an increase in the number of members of the Board of Directors the total amount of the remuneration to be paid exceeds the maximum annual amount set by the Company Shareholders' Meeting.

2.2 Including the necessary provisions for including and implementing the new long-term incentives plan in which the CEO will participate.

2.2.1 Justification for the amendment

The Appointments and Remuneration Committee, with the support of external consultants, has been working on the design of a new long-term incentives plan. After the consulting and communication process between the members of the Committee led by the Chairman, there exists the conviction of the need to implement the plan in accordance with the terms described herein, and therefore it is proposed to the Board of Directors that it be submitted for approval to the present Ordinary Shareholders' Meeting.

Due to the Company CEO having the status of beneficiary of the aforementioned long-term incentive plan, it is necessary to adapt the Company Remuneration Policy in order to accommodate this new system.

2.2.2 Explanation of the main characteristics of the new long-term variable remuneration system

The new long-term incentive plan (*New Long-Term Incentive Plan*, "**New LTIP**") consists of the handing over of Company stock options (*stock options*), which may be exercised after a period of three years. In this way, it is guaranteed that an important part of the long-term variable remuneration for the CEO is connected to the performance of the Company.

The aforementioned stock options will be handed with effect 1 January 2018 ("**Concession Date**"). After three years have transpired from 1 January 2018 ("**Consolidation Period**"), the stock options may be exercised during a period of four years ("**Exercise Period**"), which will be during the years 2021 to 2024.

The exercise price of the stock options handed over under the New LTIP framework will be the greater of (i) the price of the shares of the Company on the date of the IPO, which is 15.50 euros per share; or (ii) the price of the shares of the Company on the Concession Date ("**Exercise Price**").

Each stock option will give the right to receive the increased value of an equivalent number of shares in Parques Reunidos, taking as reference the quoted market price of the shares in Parques Reunidos at the exercise date of the options ("**Reference Value**").

The stock options will be settled in shares in Parques Reunidos. In accordance with the liquidation mechanism of the New LTIP, the number of shares to be granted will be determined by dividing: (i) the return obtained at the exercise of options, equivalent to the positive difference between the Reference Value and the Exercise Price (intrinsic value), by (ii) the Reference Value.

The General Shareholders Meeting must approve the implementation of this scheme to the CEO, including the number of stock options to be granted, the exercise price, the reference value and the exercise period within the terms and as set out in article 219 of the Corporate Act.

2.3 Change relating to the maximum annual amount of remuneration by the members of the Board of Directors due to their status as such

Given the possible increase in the maximum annual amount of remuneration for the members of the Board of Directors due to their status as such, which in turn is grounds for the potential increase in the number of members of the Board of Directors and in the naming of three new



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members, the Appointment and Remuneration Committee considers that it is necessary to update the amount reflected in the current Remuneration Policy.

Likewise, using the amendment of this section of the Remuneration Policy, this Committee considers it appropriate to make deletions and technical adjustments for maintaining coherence in the resulting text.

3. IN-FORCE PERIOD

In accordance with article 529 novodecies of the Companies Law, the Remuneration Policy will be applicable during the 2017, 2018, and 2019 accounting periods, except for when the Company General Shareholders' Meeting agrees to its amendment or substitution during this period.

4. CONCLUSION

Given all of the above, in accordance with article 529 novodecies of the Companies Law, the Appointments and Remuneration Committee of Parques Reunidos brings this proposal to the Company Board of Directors so that it may in turn propose it to the Shareholders' Meeting for approval.

Madrid, 7 February 2018.

ANNEX

FULL TEXT OF THE PROPOSED AMENDMENT

An amendment is proposed to section "4.3.1. *Annual fixed remuneration*", which will have the following text:

"4.3.1 Annual fixed remuneration

The Board will establish the criteria in order to determine the amounts corresponding to each eligible Director, taking into account:

- *The role the Director has been assigned in the Board and in any of its committees.*
- *The specific tasks and responsibilities assigned.*
- *The knowledge and experience required to carry out those tasks.*
- *The amount of time and dedication required to comply effectively with them.*

Considering the above, the individual amount to be perceived by the members of the Board of Directors as annual fixed remuneration are as follows:

- *An amount of 225 thousand euros for the Chairman of the Board of Directors.*
- *An amount of 65 thousand euros for each member of the Board of Directors.*

The individual amount to be perceived by the members of the Board of Directors corresponding to their membership in the different committees are as follows:

- *An amount of 25 thousand euros for the membership of the Director in the Appointments and Remuneration Committee.*
- *An amount of 25 thousand euros for the membership of the Director in the Audit and Control Committee.*

Abovementioned amounts correspond to a complete financial year. In case any Director forms part of the Board of Directors or one or more of the committees for a period to a complete financial year, the amounts to be perceived will be accordingly prorated.

If the number of members of the Board of Directors were increased within the limits foreseen in the Company's by-laws, the fixed remuneration to be perceived for any additional non-executive Director will be determined according to the terms described above. If, as a result of the increase in the number of the members of the Board of Directors, the total amount to pay to the members due to their status as such is greater than the maximum annual amount of remuneration for the members due to their status

as such, the Board of Directors will be authorized to proportionally reduce the amounts set out in this section 4.3.1.

Within the limit of the maximum annual amount of remuneration for the members of the Board of Directors due to their status as such, the amounts set out in this section 4.3.1 may be increased at the discretion of the Board of Directors up to 15% over the period of validity of this Policy, unless the Shareholders General Meeting approves a different amount in the coming years."

An amendment is proposed to section "4.3.3. *The annual maximum amount of remuneration for the members of the Board of Directors due to their status as such*", which will have the following text:

"4.3.3. Maximum amount of annual remuneration for Directors in their capacity of such

The maximum annual remuneration to be perceived annually by the members of the Board of Directors for their position will amount 1,100,000 euros.

Exceptionally, regarding those non-executive Directors who buy shares of Parques Reunidos Servicios Centrales, S.A. at the time of Initial Public Offering, a number of Restricted Stock Units equivalent to a number of shares up to a maximum amount of 1.250 thousand euros at the Initial Public Offering valuation, to be vested after a three years period if certain conditions are met, will be granted.

The said maximum amount shall remain valid until amendments of the same by the Shareholders General Meeting."

A proposal is made to amend section "5.3.2.2 *Long-term variable remuneration*", which will have the following text:

"5.3.2.2. Long term variable remuneration

The Executive Directors could participate in the long term incentive plans implemented by the Company from time to time, when set by the Board of Directors upon proposal of the Appointments and Remuneration Committee.

Accordingly, the long-term variable remuneration allows the CEO to perceive a certain amount of shares of the Company referenced to their fixed remuneration and

depending on (i) the achievement level of the targets proposed by the Appointments and Remuneration Committee and established by the Board of Directors, or (ii) the performance of the market price of the Company's shares.

(a) Long-Term Incentive Plan (LTIP)

The LTIP is composed of two annual grants of performance stock units ("PSU") or cycles with a three year measurement period each. Each cycle shall commence in the corresponding initial date (the "**Initial Date**") and shall end in the third anniversary from the Initial Date (the "**Value Date**"). The date of Admission will be considered the Initial Date for the first cycle. For the second cycle the Initial Date will be the 1st of January of 2017. The delivery of the shares related to each cycle, if the performance conditions are met, shall be made after sixty business days have elapsed following the relevant Value Date to the extent the performance conditions have been met. Considering the annual granting of PSUs and the three year measurement period, cycles would overlap over time and consequently, the LTIP shall extend from Admission until March 2020.

Each PSU will entitle the CEO to receive one share if he continues providing services until the Value Date and the pre-established performance conditions are met. The number of PSUs that the CEO will receive will be calculated dividing his fixed salary by the average of the share price at the Initial Date and the stock price objective at Value Date of the relevant cycle, which will be communicated by the Company to the CEO at the corresponding Initial Date.

The final number of PSUs that will be converted into the shares that the CEO will be entitled to receive will depend on the degree of achievement of the following objectives: (i) the stock price; (ii) the relative total shareholder return as compared with a peer group of four companies of the leisure parks operator sector; and (iii) the relative total shareholder return as compared with a peer group of other fifteen companies considered relevant for comparative purposes. The performance scale defined regarding each of the objectives allows an overachievement of the target of 20%.

(b) New Long-Term Incentive Plan (New LTIP)

The New Long-Term Incentive Plan, (hereinafter, "**New LTIP**") consists of the handing over of Company stock options. The handing over of these options will take place with effect 1 January 2018 ("**Concession Date**"). After three years have elapsed from 1 January 2018 ("**Consolidation Period**"), the stock options may be exercised during a period of four years ("**Exercise Period**"), which is during the years 2021 to 2024.

*The exercise price of the stock options handed over within the framework of the new LTIP will be the greater of the following values: (i) the price of the Company shares on the date of the IPO, which is 15.50 euros per share; or (ii) the price of the Company shares on the Concession Date ("**Exercise Price**").*

*Each stock option will give the right to receive the increased value of an equivalent number of shares in Parques Reunidos, taking as reference the quoted market price of the shares in Parques Reunidos at the exercise date of the options ("**Reference Value**").*

The stock options will be settled in shares in Parques Reunidos. In accordance with the liquidation mechanism of the New LTIP, the number of shares to be granted will be determined by dividing: (i) the return obtained at the exercise of options, equivalent to the positive difference between the Reference Value and the Exercise Price (intrinsic value), by (ii) the Reference Value.

The General Shareholders Meeting must approve the implementation of this scheme to the CEO, including the number of stock options to be granted, the exercise price, the reference value and the exercise period within the terms and as set out in article 219 of the Corporate Act."

An amendment is proposed to section "6.3 *Remuneration Policy In-force Period*", which will have the following text:

" This Remuneration Policy shall remain valid for the three financial years following that in which it was approved by the then sole shareholder of the Company.

Notwithstanding, the Shareholder Meeting of Parques Reunidos could amend, modify or substitute the present Remuneration Policy at any time in accordance with the procedures established.

This text of the Remuneration Policy includes the amendments approved by the General Shareholders' Meetings of 16 March 2017 and 21 March 2018."

The other sections of the Remuneration Policy remained unchanged, except for matters regarding possible adjustments of dates or paragraph numbering.