

REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATIONS COMMITTEE OF PARQUES REUNIDOS SERVICIOS CENTRALES, S.A. IN RELATION TO THE RATIFICATION AND REAPPOINTMENT AS EXECUTIVE DIRECTOR OF MR. JOSÉ DÍAZ GÓMEZ, 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

The Board of Directors of Parques Reunidos Servicios Centrales, S.A. (the “**Company**”) is considering the proposal for ratification and reappointment of Mr. José Díaz Gómez as director of the Company.

In accordance with the provisions of paragraph 6 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 of articles 15.5 and 15.6 of the Company’s Board of Directors Regulations, the proposal for the appointment of any non-independent director (which is the case) must be backed by a report from the Appointments and Remunerations Committee.

Also, pursuant to articles 15.6.(i).e) of the Company’s Board of Directors Regulations, the proposals of the Chairman of the Board of Directors in relation to the appointment of the chief executive officer must be backed by a report from the Appointments and Remunerations Committee.

The present report complies with these legal obligations.

1. 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 and of articles 15.5 and 15.6 of the Company’s Board of Directors Regulations.

2. ASPECTS CONSIDERED BY THE APPOINTMENTS AND REMUNERATIONS COMMITTEE

The Board of Directors, after the resignation tendered by Mr. Fernando Eiroa from his position as member of the Board of Directors and CEO on 4 October 2018, began the corresponding process, led by the Appointments and Remunerations Committee, to assess the appointment of a director to fill the vacancy that was caused by Mr. Eiroa's resignation.

During the referred process, the Appointments and Remunerations Committee was supported by an external renowned advisor, and several meetings were held with several candidates with different profiles. Likewise, other directors were allowed to propose other candidates to fill the referred vacancy during the process. Furthermore, given that the matter object of this process was the succession of the chief executive office of the Company, the Appointments and Remunerations Committee requested the opinion of the Chairman of the Board and of its remaining members, after which it was proposed to fill this vacancy through the appointment of Mr. José Díaz Gómez. In addition, it was proposed to appoint Mr. José Díaz Gómez as chief executive officer of the Company, so the Appointments and Remunerations Committee considers that he should be assigned the category of executive, —as indicated in section 5 below—.

Once the process was launched, the Appointments and Remunerations Committee has carried out an analysis of the needs of the Board of Directors. Based on this analysis, and taking into account the abovementioned, the Appointments and Remunerations Committee concluded that a new executive director must be appointed. This director would be appointed by means of the co-optation (*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 Appointments and Remunerations Committee issued the previous mandatory report, favourably informing on the designation of Mr. José Díaz Gómez as director of the Company, taking into account, among other factors, the following:

- (i) the conclusions reached during the selection process that was carried out with the assistance of a prestigious head-hunter firm 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 May 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;
- (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.

In addition to the foregoing, the Appointments and Remunerations Committee has re-evaluated the suitability of the appointment of Mr. José Díaz Gómez in light of his performance of his duties as Chief Executive Officer. In this regard, the Committee understands that the current circumstances justify the ratification of Mr. José Díaz Gómez. Likewise, the Committee understands that Mr. José Díaz Gómez has carried out his duties with the loyalty of a faithful representative, acting in good faith, in the best interests of the Company, under the principle of personal responsibility and with freedom of judgement and independence and that he has dedicated the necessary time to carry out his duties effectively and with sufficient availability of time for the correct development of his duties.

Therefore, the Committee considers that the professional profile of Mr. José Díaz Gómez, his track record and international recognition prove that he counts with the required skills, expertise and merits to carry out his tasks as director of the Company.

According to the Director's Selection Policy, the Appointments and Remuneration Committee has verified, to the extent possible, that there are no incompatibilities, prohibitions or conflicts of interest involved, as established by the law or as provided in the system of corporate governance; and that the procedures for selecting Board members has not involved any implicit bias that may imply any form of discrimination and, in particular, that they do not obstruct the selection of female directors.

3. CONCLUSIONS OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE

In light of the above, the Appointments and Remunerations Committee considers justified and issues a favourable report on Mr. José Díaz Gómez's ratification and re-election proposal, supporting the proposal of the Board of Directors.

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

Mr. José Díaz Gómez performs executive duties in the Company as a consequence of his appointment as chief executive officer. Therefore, this Committee considers that he should be included in the executive director category.

Madrid, 26 February 2019.