

REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF PARQUES REUNIDOS SERVICIOS CENTRALES, S.A. FOR THE YEAR ENDED 30 SEPTEMBER 2016

I. INTRODUCTION

In accordance with recommendation 6 of the Code of Good Governance for Listed Companies approved on 18 February 2015 by the Spanish Securities Market Commission (the “**Code of Good Governance**”) in relation to the documents that must be made available to the shareholders since the moment in which the Shareholders' Meeting is convened and to enable the Board of Directors of Parques Reunidos Servicios Centrales, S.A. (“**Parques Reunidos**” or the “**Company**”) to draft the annual assessment of that Committee in accordance with the provisions of article 529 *nonies* of the consolidated text of the Spanish Companies Act approved by Legislative Royal Decree 1/2010 of 2 July (the “**Spanish Companies Act**”), that Committee must draft an annual report on its functioning, highlighting the main incidents that arise, if any, in relation to its own functions. To comply with those regulations, the Appointments and Remuneration Committee has drafted this report.

This report will be available to shareholders and investors on the Company's website (www.parquesreunidos.com) from the moment that the Ordinary Shareholders' Meeting is convened.

II. MEMBERS

At the date of this report, article 40 of the Bylaws and article 15 of the Board of Directors Regulations establish that the Appointments and Remuneration Committee must comprise of at least three and at most five directors, designated by the Board of Directors, at the proposal of the Chairperson of the Board of Directors, from among the external or non-executive directors. Most of the Appointments and Remuneration Committee must be independent. The Board of Directors also designates its Chairperson from among the directors who form part of that Committee. In accordance with article 15.4 of the Board of Directors Regulations, the members of the Appointments and Remuneration Committee discharge their duty while their appointment as Company directors is in force, unless the Board of Directors resolves otherwise.

The members of the Appointments and Remuneration Committee in the year ended 30 September 2016 were as follows:

- **Mr Peter James Long** (chairman) is the Chairman of the Board of Directors and an external independent director of Parques Reunidos. He was appointed Company director on 13 April 2016. The Board of Directors appointed him as a member of the Appointments and Remuneration Committee on 13 April 2016. He is currently chairman of Royal Mail Group plc chairman of Countrywide plc and member of the supervisory board of TUI AG, where he also occupied the position of joint chief executive until February 2016. He is president of the Family Holiday Association, a UK based charity which provides short breaks away from home for more than 10,000 disadvantaged parents and children, and a member of The Tourism Council, a partnership between the UK Government and the tourism and hospitality sector. In

2001, Mr. Long became a member of the British Travel Industry Hall of Fame. Also, he received the Odyssey Award from the Institute of Travel and Tourism twice, both in 1998 and in 2008. In 2009, he was awarded with the Medal of the Order of Isabella the Catholic for contributions to services to Spanish tourism. He is also Fellow of the Tourism Society.

Mr. Long holds a Higher National Diploma in Business Studies from Southampton College of Technology and a Professional Qualification from CIMA (Chartered Institute of Management Accountants). He also holds an Honorary Doctorate in Business Administration from Bournemouth University.

- **Mr. Nicolás Villén Jiménez** (director) is an external independent director of Parques Reunidos. He was appointed director of the Company on 13 April 2016. The Board of Directors appointed him as a member of the Auditing and Control Committee on 13 April 2016. Mr. Villén has a wide experience in the infrastructure sector where he has occupied several managerial positions, including 17 years as chief executive officer of Ferrovial. Currently, Mr. Villén externally advises IFM Investors (an Australian infrastructure fund) and is member of the board of directors of ACR Grupo (real estate sector), Banca March (banking sector) and Applus+ Services (a certification, inspection and testing company), being chairman of the audit committee of ACR Group and Banca March. He was also member of the board of directors of Aer Lingus (Irish airline company), CLH (an oil product transportation company) and of Dinamia (private equity), until 2015.

Mr. Villén holds a degree in industrial engineering from Universidad Politécnica de Madrid and a Master in Electrical Engineering from the Florida University, as well as a MBA from the Columbia University. He was awarded with a Fulbright Scholarship and a Samuel Bronfman Fellowship.

- **Mr Javier Abad Marturet** (director) is a proprietary external director of Parques Reunidos. He was appointed director of Parques Reunidos on behalf of Arle Capital Partners Limited on 30 March 2010. The Board of Directors appointed him as a member of the Appointments and Remuneration Committee on 13 April 2016. Mr. Abad is a founding partner of Arle Capital Partners (“Arle”), a UK based private equity manager since 2010. Prior to working at Arle, he was a partner at Candover Partners Limited, an European private equity house, between 2006 and 2010 and spent the previous five years (2001-2006) at Apax Partners LLP, a private equity investment group, where he led a number of transactions in the industrials and services industries including Everis Consulting (a multinational consulting firm), Wisdom Entertainment, S.L. (a diversified company specializing in artist development and management, music production and A&R/publishing administration), and Fractus, S.A. (a company designing and manufacturing high efficiency systems for wireless GSM, CDMA, Bluetooth, 802.11, RFID, UWB systems).

Previously, he was a partner at A.T. Kearney, Inc. (a global management consulting firm) for eleven years. With close to twenty years of private equity experience, Mr. Francisco Javier Abad Marturet heads up the services sector at Arle. He has extensive

business experience across Europe and sits also on the Board of Directors of Hilding Anders AB (a manufacturer of beds). Furthermore, he was a member of the Board of Technogym S.p.A (a wellness company). He holds a Master's degree in Telecommunications from ETSITM and an MBA from IESE.

- **Mr Dag Erik Johan Svanstrom** (director) is an external independent director of Parques Reunidos. He was appointed director of Parques Reunidos on 13 April 2016. The Board of Directors appointed him as a member of the Appointments and Remuneration Committee on 28 July 2016. He is president of Hotels.com and Expedia Affiliate Network, a private brand of the within Expedia Inc. Group which operate in 80 markets worldwide and transact over US\$14 billion in gross bookings. He is also a member of the Expedia Inc Travel Leadership Team reporting to the chief executive officer of Expedia. Before joining Expedia Inc, Mr Svanstrom was a member, between 2007 and 2015, of the Board of Directors of eLong, Inc. (Nasdaq: LONG), one of China's biggest online travel agencies, and Head of the Digital Innovations Group at McDonald's Corporation for three years, during which time he led the launch of Redbox Automated Retail, LLC (www.redbox.com) and the rolling out of Wi-Fi services at McDonald's store network.

Mr. Svanstrom holds a Master's of Science in Economics from the Stockholm School of Economics.

On 28 July 2016, Mr Javier Abad Marturet resigned as the Committee's Secretary. On that same date, in accordance with article 15.3 of the Board of Directors Regulations, the Board of Directors designated Mr Gabriel Núñez Fernández as the Committee's Secretary but he is not a member.

Consequently, in the year ended 30 September 2016, the Committee's membership was consequent with that established in the Board of Directors Regulations and with article 529 *quincedies*.1 of the Spanish Companies Act, in accordance with its current wording. All the Committee's members are non-executive directors and two of them are independent, while the Chairman was designated from among the independent directors.

III. Meetings

The Appointments and Remuneration Committee holds an ordinary meeting every six months. Likewise, it can meet at the request of any of its members and whenever it is convened by its Chairperson, which must do so every time that the Board or its Chairperson requests the issuance of a report or the adoption of proposals and, in any case, whenever it is appropriate for the proper execution of its duties.

The Appointments and Remuneration Committee met four times in the year ended 30 September 2016.

Consequently, the Appointments and Remuneration Committee met with the necessary frequency for the proper execution of its duties and all the Committee members attended the meetings.

IV. Activities in the year ended 30 September 2016

To comply with the functions taken on by virtue of article 15 of the Board of Directors Regulations, the Appointments and Remuneration Committee focused the objectives of its meetings on the following main activities:

- The Appointments and Remuneration Committee was informed of the current members of the Board of Directors, acknowledging them in the execution of its duties and in accordance with article 15 of the Board of Directors Regulations, and it ratified the directors' status by taking into account, in particular, the information about their professional track record included in the Company's IPO prospectus.
- The Appointments and Remuneration Committee resolved to propose to the Board the appointment of the director Mr Dag Erik Johan Svanstrom as a member of the Appointments and Remuneration Committee and provide a favourable report on his appointment, stating that the director has the appropriate knowledge, skills and experience to carry out the corresponding functions.
- The Appointments and Remuneration Committee resolved to propose to the Board a change in the position of secretary, non-member, of the Audit and Control Committee and of the Appointments and Remuneration Committee, replacing Jaime Fernández Aceña with Ms Cristina Carro Werner and Mr Francisco Javier Abad Marturet with Mr Gabriel Núñez Fernández, respectively. The Appointments and Remuneration Committee also resolved to provide a favourable report on the changes in the position of secretary, non-member, of the Board Committees, stating that both Ms Cristina Carro Werner and Mr Gabriel Núñez Fernández have the appropriate knowledge, skills and experience to carry out the corresponding functions.
- In accordance with article 15.6.(v).a) of the Board of Directors Regulations, the Appointments and Remuneration Committee resolved to propose to the Board the establishment of certain features in the Company's Long-Term Incentive Plan, approved by the Company's sole shareholder at the time on 13 April 2016, such as the Company's reference share price to calculate its increase and the group of comparable companies with the aim of verifying compliance with one of the terms and conditions to which that Incentive Plan is subject.

This report on the activities performed by the Appointments and Remuneration Committee during the financial year ended on 30 September 2016 will be available to shareholders and investors on the Company's website (www.parquesreunidos.com) from the moment that the Ordinary Shareholders' Meeting is convened.

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