

**PROPOSAL AND REPORT BY THE BOARD OF DIRECTORS OF PARQUES
REUNIDOS SERVICIOS CENTRALES, S.A. IN RELATION TO THE
RATIFICATION AND RE-ELECTION AS PROPRIETARY DIRECTOR OF MR.
COLIN HALL, INCLUDED ON ITEM 7.1 OF THE AGENDA OF THE GENERAL
SHAREHOLDERS MEETING TO BE HELD ON 21 MARCH AT THE FIRST
CALL AND 22 MARCH 2018 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 21 March at the first call and 22 March 2018 at the second call, under item 7.1 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 of Shareholders to ratify and re-elect Mr. Colin Hall 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 ratification and re-election of Mr. Colin Hall as a proprietary director of the Company, which has been approved by the members of the Board at their meeting on 7 February 2018.

2. JUSTIFICATION OF THE PROPOSAL

2.1 Professional and personal background

Mr. Colin Hall holds a BA from Amherst College and an MBA from the Stanford University Graduate School of Business.

Mr. Hall is the Head of Investments at GBL, one of the largest shareholders in Parques Reunidos. He began his career in 1995 in the merchant banking group of Morgan Stanley. In 1997, he joined Rhône Group, a private equity firm, where he held various management positions for 10 years in New York and London. In 2009, he was the cofounder of a hedge fund, sponsored by Tiger Management (New York), where he worked until 2011. In 2012 he joined, as CEO, Sienna Capital, a 100% subsidiary of GBL, which regroups its alternative investments (private equity, debt or specific thematic funds). In 2016, he was appointed Head of Investments at GBL. Mr. Hall also serves as a Director of Imerys and Umicore.

To sum up, in the opinion of this Board of Directors, the candidate is a person with renowned prestige and professional competence who meets the requirements of renowned honourability, suitability, professional ability, competence, experience, qualifications, education, availability and commitment that are inherent and necessary to continue 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

On early 2017, the Board of Directors in view of the following:

- (i) the number of Board members, which was fixed at 7 directors, by the sole shareholder in that moment;

- (ii) the reduction in the Company's share capital percentage held by Arle Capital Partners Limited from 26.764% to 8.667% (as communicated to the Spanish National Securities Markets Commission on 20 April 2017);
- (iii) the resignations tendered, according to article 21.2(v) of the Board of Directors Regulations, by Mr. Fredrik Arp and Mr. Javier Abad Marturet —proprietary directors representing Arle Capital Partners Limited— as a members of the Board through the corresponding letters sent to all Board members explaining the reasons for the resignation; and
- (iv) the acquisition by Groupe Bruxelles Lambert (GBL) of shares in the Company to increase its total holding to 15.157% of the share capital.

began the corresponding process to evaluate the appointment of two Board members to fill the vacancies derived from the resignations of Mr. Fredrik Arp and Mr. Javier Abad Marturet, considering the shareholding structure of the Company. One of those vacancies was filled by Mr. Colin Hall, as proprietary director representing Groupe Bruxelles Lambert (GBL).

In this regard, the Appointments and Remuneration Committee issued the required prior report with a favourable opinion on the proposed designation of Mr. Colin Hall as proprietary director of the Company, in view of, among other factors:

- (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;
- (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; and

- (iv) the needs of the Board of Directors with respect to the members who made it up at that time.

All the above made clear that his designation as proprietary director of the Company would provide significant advantages to this management body, and thus, the Committee proposed him as proprietary director of the Company by means of the co-option system, which has been approved by the members of the Board at their meeting on 25 April 2017.

Moreover, the Appointments and Remuneration Committee considers that Mr. Colin Hall has exercise his duties as director with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company, responsible and, with freedom and independence of judgement. Furthermore, the Appointments and Remuneration Committee has considered that Mr. Colin Hall has devote the necessary time to carry out his tasks effectively and is sufficient available for the proper development of his functions.

The Board accepts the report from the Appointments and Remuneration Committee, considering that the professional profile of Mr. Colin Hall, 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.

It is hereby stated that Mr. Hall refrain from deliberating and voting in relation to both reports of the Appointments and Remuneration Committee and the Board of Directors.

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. Colin Hall 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 designation (which this body accepts) the Board of Directors considers the ratification and re-election of Mr. Colin Hall 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. Colin Hall represents Groupe Bruxelles Lambert (GBL), a significant shareholder of the Company, on the Board of Directors. In accordance with applicable law, the candidate therefore has 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. Colin Hall be ratified and re-elected director, with the category of proprietary director. The Board of Directors proposes his ratification and re-election to the General Shareholders Meeting to be held on 21 or 22 March 2018 at the first or second call, respectively, under item 7.1 of the agenda.

3. PROPOSED RESOLUTION

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

"ITEM 7.1 ON THE AGENDA

Ratification and re-election of Mr. Colin Hall as director, with the category of proprietary director, for the statutory period of four years.

Ratify the resolution adopted by the Board of Directors at its meeting held on 25 April 2017 by virtue of which it designated Mr. Colin Hall, of legal age, of American nationality, with



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passport [...] in force of its nationality and Spanish foreigners Id number [...] and with domicile for these purposes at Avenue Marnix 24 – 1000 Bruselas, Bélgica, as proprietary director by the co-option system; and, with a favourable report from the Appointment and Remuneration Committee, re-elect him as director of the Company with the category of “proprietary director”.

The proposed re-election is accompanied by a supporting report from the Board, evaluating the competence, experience and merits of Mr. Colin Hall, as well as the report from the Appointments and Remuneration 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. Colin Hall may accept his appointment by any means valid in law.”

Madrid, 7 February 2018.

ANNEX

REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF PARQUES REUNIDOS SERVICIOS CENTRALES, S.A. IN RELATION TO THE RATIFICATION AND REAPPOINTMENT AS PROPRIETARY DIRECTOR OF Mr COLIN HALL, INCLUDED ON ITEM 7.1 OF THE AGENDA OF THE GENERAL SHAREHOLDERS MEETING TO BE HELD ON 21 MARCH AT THE FIRST CALL AND 22 MARCH 2018 AT THE SECOND CALL

1. INTRODUCTION

The Board of Parques Reunidos Servicios Centrales, S.A. (the “**Company**”) is considering the proposal for ratification and reappointment de Mr Colin Hall 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 or reappointment of any non-independent director (which is the case) must be backed, in addition, 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

On early 2017, the Board of Directors in view of the following:

- (i) the number of Board members, which was fixed at 7 directors, by the sole shareholder in that moment;
- (ii) the reduction in the Company’s share capital percentage held by Arle Capital Partners Limited from 26.764% to 8.667% (as communicated to the Spanish National Securities Markets Commission on 20 April 2017);

- (iii) the resignations tendered, according to article 21.2(v) of the Board of Directors Regulations, by Mr Fredrik Arp and Mr Javier Abad Marturet —proprietary directors representing Arle Capital Partners Limited— as a members of the Board through the corresponding letters sent to all Board members explaining the reasons for the resignation; and
- (iv) the acquisition by Groupe Bruxelles Lambert (GBL) of shares in the Company to increase its total holding to 15.157% of the share capital.

began the corresponding process to evaluate the appointment of two Board members to fill the vacancies derived from the resignations of Mr Fredrik Arp and Mr Javier Abad Marturet, considering the shareholding structure of the Company. One of those vacancies was filled by Mr Colin Hall, as proprietary director representing Groupe Bruxelles Lambert (GBL).

Back on that time, the Appointments and Remuneration Committee carried out an analysis of the needs of the Board. Taking into account the foregoing, and considering that the number of Board members was been fixed at 7 —holding GBL a share capital percentage exceeding what would be needed to exercise the proportional representation right—, this Committee concluded that, a proprietary director had to be appointed by means of the co-option (*cooptación*). The mentioned appointment was carried out on the meeting of the Board of Directors of 25 April 2017.

In this regard, this 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;
- (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; and

- (iv) the needs of the Board of Directors with respect to the members who made it up at that time.

Moreover, the Appointments and Remuneration Committee deems the designation of Mr Colin Hall appropriated considering (i) the shareholding structure of the Company (ii) the prospective quantitative composition of the Board of Directors after the General Meeting of Shareholder and (iii) the performance of Mr Colin Hall. In this regard, the Committee considers that the current circumstances justify the ratification and reappointment of Mr Colin Hall. Moreover, the Appointments and Remuneration Committee considers that Mr Colin Hall has exercise its duties as director with the loyalty if a faithful representative, acting in good faith, in the best interest of the Company and responsible and with freedom and independence of judgement. Furthermore, the Appointments and Remuneration Committee has considered that Mr Colin Hall has devote the necessary time to carry out his tasks effectively and is sufficient available for the proper development of his functions.

Therefore, the Committee deems that his professional profile of Mr Colin Hall, career and international recognition prove that he counts with the required skills, expertise, 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

4. CONCLUSIONS OF THE APPOINTMENTS AND REMUNERATION COMMITTEE.

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



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

Mr Colin Hall will represent Groupe Bruxelles Lambert (GBL), 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 2018.