

**REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATIONS
COMMITTEE OF PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
BASED ON THE PROPOSED AGREEMENT ON THE AMENDING OF THE
COMPANY REMUNERATION POLICY, INCLUDED IN ITEM FOURTEEN OF
THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING
TO BE HELD ON 28 AND 29 MARCH 2019, ON FIRST AND SECOND CALL,
RESPECTIVELY**

1. OBJECT OF THE REPORT

Under article 529 novodecies of the consolidated text of Spanish Companies Act, enacted by Royal Legislative Decree 1/2010, of 2 July ("**Spanish Companies Act**"), 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 Remunerations Committee, at its meeting of 26 February 2019, prepared and approved this report to justify and explain the proposed amendment of the Company's 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 Annex hereto has the purpose of amend different aspects of the Remuneration Policy regarding the remuneration of the Chairman of the Board, the variable remuneration of the CEO, the new long-term incentive plan of the Company and reflect the new maximum amount of annual remuneration of the Board members in their capacity as directors, 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, and amended by the General Shareholders Meeting held on 16 March 2017 and 21 March 2018, will remain unchanged.

2. JUSTIFICATION OF THE PROPOSED AMENDMENTS

2.1 Amendment of the section relating to variable remuneration of the executive directors

The Appointments and Remunerations Committee considers that this new variable remuneration model and structure of the CEO is necessary due to the significant changes occurred regarding the Company's organizational structure during financial years ended on 30 September 2018 and 31 December 2018 as well as during the financial year started on 1 January 2019 (i.e. the resignation of the former CEO and the appointment of a new CEO). Likewise, it is necessary in order to adjust the Company's remuneration policy to market best practices.

Payment of the variable remuneration under this new structure, based on Company's growth, will be proportional to the achievement of the established objectives. Two thirds of the annual variable remuneration will be paid in cash and one third in Company shares. The delivery of the shares corresponding to the annual variable remuneration owed, where appropriate, to the Chief Executive Officer will take place within the one-year period from the closure of the fiscal year corresponding to the owed variable remuneration. The delivery of the shares may be carried out through the delivery of units granting their holders the right to receive the corresponding shares. These units will only be converted into shares if the executive officer maintains his or her position in the Company.

2.2 Inclusion of the necessary provisions for the implementation of a new long-term incentives plan in which the CEO will participate.

2.2.1 Justification

The Appointments and Remunerations Committee, with the support of external consultants, has been working on the design of a new long-term incentive plan that fits the changes occurred in the Company during the last financial years. After the consulting and communication process between the members of the Committee led by the Chairwoman, and with the assistance of an independent expert, there exists the conviction of the need to implement a new 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 terms of the long-term variable remuneration system

The Long-Term Incentive Plan (hereinafter "**LTIP 2019**") consists of the handing over of Company stock options. The handing over of these options will take place with effect 28 January 2019 ("**Concession Date**"). The consolidation period ("**Consolidation Period**") starts on the Concession Date and ends on 31 December 2020. The stock options may be exercised during a period of four years ("**Exercise Period**"), which is during the years 2021 to 2024 under the terms that will be established.

The exercise price of the stock options handed over within the framework of the LTIP 2019 is 11.50 euros per share ("**Exercise Price**").

Each stock option gives 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 stock options ("**Reference Value**"). Each stock option entitles to a maximum increase in value of 4 euros per stock option, i.e. it is limited to a quoted price of 15.50 euros per share.

In accordance with the liquidation mechanism of the LTIP 2019, the number of shares to be granted will be determined by dividing: (i) the return obtained at the exercise of the stock options, equivalent to the positive difference between the Reference Value and the Exercise Price (intrinsic value), multiplied by the number of stock options exercised, by (ii) the Reference Value.

Notwithstanding, if the quotation price of the shares of Parques Reunidos Servicios Centrales, S.A. is equal to or higher than 15.50 euros per share, 15.50 per share ("**Corrected Reference Value**") will be considered as a reference value for the purpose of calculating the return obtained in relation to the exercise of the stock options, although for the purpose of determining the number of shares it will be divided by the Reference Value.

The number of shares to be delivered shall be reduced proportionally in accordance with the following rules:

- a) If the quoted price is 15.50 euros per share, a coefficient of 100 per cent shall be applied to the number of shares to be delivered.
- b) If the quoted price is equal to or more than 20.50 euros per share, a coefficient of zero per 100 shall be applied to the number of shares to be delivered.
- c) If the quoted price is between 15,50 euros per share and 20,50 euros per share, the coefficient to be applied to the number of shares to be delivered shall be calculated by linear interpolation.

2.3 Amendment of the section relating to the remuneration of the Chairman of the Board of Directors

The Appointments and Remunerations Committee, with the support of external consultants, has been working on the analysis of the Chairman's remuneration. After an analysis and communication process, the Committee considers that this new remuneration structure for the Chairman of the Board of Directors of the Company is necessary due to the mayor changes occurred in the organizational structure of the Company during the last financial years (i.e. the appointment of a new Chairman of the Board of Directors of the Company). In this regard, the Committee considers it appropriate to modify the remuneration of the Chairman due to the high level of performance and commitment demonstrated by the current Chairman since his appointment. The Appointments and Remunerations Committee considers that the current circumstances of the Company require greater commitment and dedication on the part of the person who holds the position of Chairman and, in order to retain the best talent, the Committee has proposed to the Board of Directors the modification of the current remuneration of the Chairman.

It should be highlighted that the Chairman's annual remuneration is set at 500,000 euros and that part of such remuneration, equivalent to 100,000 euros, will be paid in shares of the Company, subject, however, to a lock-up clause.

Because the Chairman's remuneration is included in the Company Remuneration Policy, it is necessary to adapt it in order to accommodate the changes proposed and which are included in the corresponding section of the proposals included in the Annex of this report.

2.4 Amendment relating to the maximum annual amount of remuneration by the members of the Board of Directors in their capacity of such

Given the possible increase in the maximum annual amount of remuneration for the members of the Board of Directors due to the stated in this report, the Appointment and Remuneration Committee considers that it is necessary to update the amount reflected in the current Remuneration Policy.

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 Remunerations 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, 26 February 2019

ANNEX

FULL TEXT OF THE PROPOSED AMENDMENT

An amendment is proposed to section "4.3.1", which will have the following text:

"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 500 thousand euros for the Chairman of the Board of Directors. Of this amount, a portion will be paid in cash (i.e. 400,000 euros) and the remaining 100,000 euros will be paid in shares of the Company, subject to the approval of the General Shareholders Meeting in accordance with applicable legislation.*
- 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 Remunerations 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", which will have the following text:

"The maximum annual remuneration to be perceived annually by the members of the Board of Directors for their position will amount 1,800,000 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 "5.3.2.1", which will have the following text:

"The variable component or bonus will be linked to the achievement of the targets set for the executive officer each year, based on the proposal made by the Appointments and Remunerations Committee, taking into account the available historical information and future results. The variable remuneration, whose main purpose is to stimulate and reward the Company's growth, allows the alignment of the total annual remuneration with the principles set forth in the Remuneration Policy.

Annual variable remuneration will be calculated as a reference to fixed remuneration in accordance to practices followed by the Company with its workforce.

In the specific of the CEO, the maximum amount he or she is entitled to receive as annual variable remuneration will be 150% of his or her fixed salary. Within this maximum, the final amount will be determined by the Appointments and Remunerations Committee according to the accomplishment of the objectives.

Two thirds of the annual variable remuneration will be paid in cash and one third in Company shares. The delivery of the shares corresponding to the annual variable remuneration owed, where appropriate, to the Chief Executive Officer will take place within the one-year period from the closure of the fiscal year corresponding to the owed variable remuneration. The delivery of the shares may be carried out through the delivery of units granting their holders the right to receive the corresponding shares. These units will only be converted into shares if the executive officer maintains his or her position in the Company.

Specifically, the following objective targets will be taken into account for the payment of the annual variable remuneration:

- a) A target based on the consolidated results of the business, measured in terms of earnings before interests, taxes, depreciation and amortization (EBITDA) each year. This target will represent 70% of the total PSUs granted each year.*
- b) Other metrics such as security, CAPEX and customer experience. This parameter will represent 10% of the total PSUs granted each year.*
- c) A target regarding the specific performance of the functions corresponding to each executive director which will be monitored by the Appointments and Remunerations Committee. This target will represent 20% of the total PSUs granted each year."*

An amendment is proposed to section "5.3.2.2", which will have the following text:

"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 Remunerations 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 Remunerations 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 2018) approved in 2018

*The Long-Term Incentive Plan, (hereinafter, "**LTIP 2018**") consists of the handing over of Company stock options. The handing over of these options took 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 LTIP 2018 is the price of the Company shares on the date of the IPO, which is 15.50 euros per share ("**Exercise Price**").*

*Each stock option gives 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 stock options ("**Reference Value**").*

The stock options will be settled in shares in Parques Reunidos. In accordance with the liquidation mechanism of the LTIP 2018, 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 held on 21 March 2018 approved 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. According to the referred resolution, the maximum total amount of stock options to be granted to the CEO is 571,625.

(b) Long-Term Incentive Plan (LTIP 2019)

The Long-Term Incentive Plan (hereinafter "**LTIP 2019**") consists of the handing over of Company stock options. The handing over of these options will take place with effect 28 January 2019 ("**Concession Date**"). The consolidation period ("**Consolidation Period**") starts on the Concession Date and ends on 31 December 2020. The stock options may be exercised during a period of four years ("**Exercise Period**"), which is during the years 2021 to 2024 under the terms that will be established.

The exercise price of the stock options handed over within the framework of the LTIP 2019 is 11.50 euros per share ("**Exercise Price**").

Each stock option gives 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 stock options ("**Reference Value**"). Each stock option entitles to a maximum increase in value of 4 euros per stock option, i.e. it is limited to a quoted price of 15.50 euros per share.

In accordance with the liquidation mechanism of the LTIP 2019, the number of shares to be granted will be determined by dividing: (i) the return obtained at the exercise of the stock options, equivalent to the positive difference between the Reference Value and the Exercise Price (intrinsic value), multiplied by the number of stock options exercised, by (ii) the Reference Value.

Notwithstanding, if the quotation price of the shares of Parques Reunidos Servicios Centrales, S.A. is equal to or higher than 15.50 euros per share, 15.50 per share ("**Corrected Reference Value**") will be considered as a reference value for the purpose of calculating the return obtained in relation to the exercise of the stock options, although for the purpose of determining the number of shares it will be divided by the Reference Value.

The number of shares to be delivered shall be reduced proportionally in accordance with the following rules:

- a) If the quoted price is 15.50 euros per share, a coefficient of 100 per cent shall be applied to the number of shares to be delivered.
- b) If the quoted price is equal to or more than 20.50 euros per share, a coefficient of

zero per 100 shall be applied to the number of shares to be delivered.

c) If the quoted price is between 15,50 euros per share and 20,50 euros per share, the coefficient to be applied to the number of shares to be delivered shall be calculated by linear interpolation.

The stock options will be settled in shares of Parques Reunidos.

Each time the CEO exercises stock options over shares granted under LTIP 2019, he must exercise the same number of stock options granted under LTIP 2018. If, at the time of exercising the stock options granted under LTIP 2019, the quotation price of the shares of Parques Reunidos Servicios Centrales, S.A. is equal to or less than 15.50 euros per share, the same number of stock options of LTIP 2018 as those exercised under LTIP 2019 will be extinguished.

It is up to the General Shareholders Meeting to approve the application of this scheme to the CEO, including the number of stock options, the exercise price, the reference value and the term of duration in the terms established in article 219 of the Corporate Act."

An amendment is proposed to section "5.3.3", which will have the following text:

"Executive Directors shall be entitled to receive severance compensation included in the individual contract in the event of termination of the relationship for reasons not attributable to the Executive Director. In any case, severance payments will not compensate for the achievement of unfavorable results.

Unless the early termination of the Chief Executive Officer's contract is based on a dismissal for misconduct, the Chief Executive Officer shall be entitled to receive a gross compensation equals to 15 months of his fix remuneration."

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