

**REPORT OF THE BOARD OF DIRECTORS, JUSTIFYING THE RATIFICATION BY THE
GENERAL MEETING OF THE APPOINTMENT AS DIRECTOR, BY CO-OPTION, OF
MR.JAIME CARVAJAL HOYOS**

The Company's Board of Directors, at its meeting of 25th September 2018, at the proposal and following a report in favour from the Appointments and Remuneration Committee, appointed Director of the Company, by co-option, Mr. Jaime Carvajal Hoyos, for the statutory period of four years, subject to ratification of the appointment by the first General Shareholders' Meeting held.

This appointment was preceded by the explanatory report from the Board of Directors, required by Article 529 *decies* of the Law of Capital Companies.

Mr. Carvajal is in the category of independent Director, in accordance with Article 529 duodecies 4 of the Law of Capital Companies, Article 7.1.3 of the Rules of the Board of Directors of 26th January 2016, and Article 4.1 c) of the Company's Policy on the Selection of Directors, of 19th December, 2017.

The Appointments and Remuneration Committee, in its meeting of today, 29th January 2019, unanimously reported in favour of the proposal of the Board of Directors that the General Meeting should ratify the appointment as Director of Mr. Jaime Carvajal Hoyos.

The Board of Directors notes that the criteria and circumstances which prompted the appointment of Mr. Carvajal as Director have not been modified, and that he continues to fulfil the legal and statutory requirements for inclusion in the category of independent Director. In addition, the Board considers that he has been performing correctly in the role of Director, and therefore resolves unanimously to propose that the General Meeting of Shareholders should ratify the appointment as independent Director, by co-option, of Mr. Jaime Carvajal Hoyos, made by the Board of Directors on 25th September 2018.

This Report is unanimously approved by the Board of Directors, in accordance with the provisions of Article 529 decies 5 of the Law of Capital Companies, and will be attached to the minutes of the General Meeting, in accordance with the said Article's provisions for cases of ratification of appointments.

Leganés, 29th January 2019.

The Board Secretary/Director,

Rafael de Juan López