



**PROPOSAL AND REPORT DRAWN UP BY THE BOARD OF DIRECTORS OF
AENA, S.A. IN RELATION TO THE RATIFICATION OF THE
APPOINTMENT OF MR FRANCISCO JAVIER MARTÍN RAMIRO AS A
PROPRIETARY DIRECTOR BY THE GENERAL SHAREHOLDERS’
MEETING CALLED FOR 25 APRIL AND 26 APRIL 2017 ON FIRST AND
SECOND CALL RESPECTIVELY**

1. Introduction

The Board of Directors of AENA, S.A. (the “**Company**”) presents this explanatory report concerning the ratification of Mr Francisco Javier Martín Ramiro as a proprietary director of the Company (the “**Report**”) pursuant to Section 6 of Article 529.10 of the Corporate Enterprises Act (the “**LSC**” in its Spanish acronym).

In compliance with the provisions of the above Article, any proposal for the appointment or re-election of the members of the Board of Directors who do not have the status of independent directors (as is the case here) is the responsibility of the Board of Directors. Such proposal must be accompanied by an explanatory report from the Board of Directors that assesses (i) the competence, (ii) the experience and (iii) the merits of the proposed candidate and will be preceded by a report from the Appointments and Remuneration Committee.

2. Purpose of the Report

In view of the proposal of the Board of Directors to ratify the appointment made by cooptation of Mr Francisco Javier Martín Ramiro as a proprietary director of the Company, this Report is drawn up for the purpose of:

- (i) explaining its proposal; and
- (ii) assessing the competence, experience and merits of the candidate proposed for the performance of the post of proprietary director,

in the terms of Section 5 of Article 529.10 of the Corporate Enterprises Act.

In the light of the foregoing and in accordance with the provisions of Section 6 of Article 529.10 of the LSC, the Appointments and Remuneration Committee has reported favourably on this ratification. This report is attached as **Annex 1** for better identification.

3. Report of the Appointments and Remuneration Committee

Given the need to ratify the position of Mr Francisco Javier Martín Ramiro as a director following his appointment by the cooptation procedure, the Board of Directors began the process required to evaluate such ratification.

By way of conclusion of this process the mandatory report of the Appointments and Remuneration Committee was requested. This Committee has reported in favour of the proposed ratification of Mr Francisco Javier Martín Ramiro as a director of the Company in view of a number of factors including the following:

- (i) His extensive experience in the public sector;
- (ii) His highly qualified professional profile that is suitable for the performance of the duties of a proprietary director of the Company due to both his extensive experience and merits in relevant sectors and also his in-depth knowledge of a range of business fields;
- (iii) His previous experience which in recent years has been mainly in administering and managing essentially technical units in Spanish Government organisations in projects and works concerning architecture, asset and property management, procurement, etc.;

All of the foregoing shows that his retention as a proprietary director of the Company will bring significant advantages to this administrative body.

4. Rationale for the proposal of the Board of Directors

The Board of Directors believes that in order for a director to be able to effectively exercise their supervisory and control role in the Company they must satisfactorily combine sufficient capabilities and competences including in the following areas:

- (i) knowledge of the sectors in which the Company operates;
- (ii) experience in and knowledge of economic and financial aspects;
- (iii) experience in and knowledge of the Company's most important geographical markets; and
- (iv) experience in and knowledge of business management, leadership and strategy.

Mr Francisco Javier Martín Ramiro's curriculum vitae confirms his competence and merits for the post of director. His extensive experience in sectors relevant to the Company, such as asset management and investment planning and

procurement, and his in-depth knowledge of various business fields ensures the contribution of plural points of view to the discussion of issues in the Board of Directors.

The above means that the Board of Directors considers it justified and appropriate to ratify the appointment of Mr Francisco Javier Martín Ramiro as a director of the Company in the belief that such ratification will contribute a valuable profile to the Board of Directors with a view to the performance of the Company's business operations.

5. Assessment of the competence, experience and merits of the candidate

The competence, experience and merits of Mr Francisco Javier Martín Ramiro can be seen from his curriculum vitae (attached hereto) which demonstrates his abilities for the position of proprietary director. By way of summary, it should be noted that:

- (i) Since 2012 he has been the Deputy Director General for Architecture and Building, taking part in investment planning and project and works management, in particular refurbishment, for the 1% cultural grants corresponding to Ministry of Public Works projects and technical regulations related to the building industry.
- (ii) From November 2008 to May 2012 he held the position of Deputy Director General of Works in the Infrastructure and Facilities Department in the Ministry of Culture. He led the technical unit in the department and his roles included investment planning and managing infrastructure projects, works and facilities.
- (iii) From June 2006 to November 2008 he was Head of the Asset Management Unit in the Ministry of Public Administration, coordinating the technical area of the Deputy Directorate. His duties were concerned with integrated property management, especially focused on investment and property optimisation (investment planning, procurement, scorecard, etc.).
- (iv) From June 2001 to July 2006 he served as Senior Technical Officer in the Deputy Directorate General for Coordination of Administrative Buildings in the Directorate General for State Assets at the Ministry of Finance where he coordinated and supervised project contracting and valuation of acquisitions, leases, disposals, etc.
- (v) From February 1997 to 2001 he worked in private practice as an associate in an architecture firm.

In short, in the view of the Board of Directors the candidate meets the essential

competence, experience and merits requirements in order to continue to form part of the Board of Directors of the Company.

6. Conclusions of the Board of Directors

In light of the above the Board of Directors considers that the candidate has (i) the competence, (ii) the experience and (iii) the merits required to continue as a member of the Board of Directors and it is therefore warranted that Mr Francisco Javier Martín Ramiro should be ratified as a director of the Board.

Accordingly it proposes ratification by the General Shareholders' Meeting of the Company of his appointment as a director of the Company.

7. Category of director to which he belongs or should be appointed

The candidate would be a proprietary director of the Company as he represents the majority shareholder of the Company. It has been confirmed with the candidate that he has sufficient time availability to perform the duties of his post.

8. Proposed resolution to be adopted by the General Shareholders' Meeting

In view of the foregoing it is agreed to propose the adoption of the following resolution to the General Shareholders' Meeting of the Company:

“Ratification of the appointment by cooptation of Mr Francisco Javier Martín Ramiro as a proprietary director.

“In accordance with the proposal of the Board of Directors, and following a report from its Appointments and Remuneration Committee, to ratify the appointment as a director of Mr Francisco Javier Martín Ramiro, whose personal details are recorded in the Company Register, nominated by cooptation by a decision of the Board of Directors adopted on 25 October 2016 with the status of proprietary director.”

In Madrid on 21 March 2017