**PROPOSAL AND REPORT DRAWN UP BY THE BOARD OF DIRECTORS OF AENA, S.M.E, S.A. IN RELATION TO THE RATIFICATION OF THE APPOINTMENT OF MR FRANCISCO FERRER MORENO AS A PROPRIETARY DIRECTOR BY THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 9 APRIL AND 10 APRIL 2019 ON FIRST AND SECOND CALL RESPECTIVELY**

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## 1. Introduction

The Board of Directors of Aena, S.M.E., S.A. (the "**Company**") presents this explanatory report concerning the ratification of the appointment of Mr Francisco Ferrer Moreno as a proprietary director of the Company (the "**Report**") by the General Shareholders' Meeting of the Company pursuant to Sections 4 and 5 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 Ferrer Moreno as a proprietary director of the Company, this Report is drawn up for the purpose of:

(i) justifying the proposed ratification as a proprietary director of the Company by the General Shareholders' Meeting of the Company called for 9 April and 10 April 2019 on first and second call respectively; and

(ii) assessing the competence, experience and merits of the candidate proposed for the post of proprietary director.

All of the above in the terms of Section 5 of Article 529.10 of the LSC.

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 Ferrer Moreno as a proprietary director following his previous 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 Ferrer Moreno as a proprietary director of the Company in view of a number of factors including the following:

(i) The favourable opinions received from the other directors, and in particular from the independent directors, in relation to his ratification as a director;

(ii) His excellent performance of the duties of his position from the moment he took office;

(iii) His extensive experience in the public sector;

(iv) 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, mainly in financial matters; and

(v) His previous experience, in recent years largely in politics and financial relations.

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 Ferrer Moreno's curriculum vitae confirms his competence and merits for the post of director. His extensive experience in sectors relevant to the Company, such as his in-depth knowledge of various business areas including the financial sector, 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 Ferrer Moreno 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 Ferrer Moreno can be seen from his curriculum vitae (attached hereto) which demonstrates his abilities to be ratified as a director. By way of summary, it should be noted that:

(i) Since June 2018, he has been Director of the Cabinet of the State Secretary for Infrastructure, Transport and Housing in the Ministry of Public Works.

(ii) Previously he was Chief Delegate Inspector in the Department of Public Works and the Public Health Service Body of Murcia.

(iii) He has also been head of the Accounting and Public Auditing Divisions of the General Inspection Service in the Region of Murcia.

(iv) He has additionally been an associate lecturer in the Introduction to Economic Analysis Department at the University of Murcia and Secretary of the Board of Directors of Caja de Ahorros de Murcia. At present he is the Secretary of the Board of Trustees of the Foundation of the same name.

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 Ferrer Moreno 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 Ferrer Moreno 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 Ferrer Moreno, whose personal details are recorded in the Company Register, nominated by cooptation by a decision of the Board of Directors adopted on 16 July 2018 with the status of proprietary director."*

In Madrid on 26 February 2019