

## **REPORT FORMULATED BY THE APPOINTMENTS, REMUNERATION AND GOOD GOVERNANCE COMMITTEE TO THE BOARD OF DIRECTORS OF GRUPO EMPRESARIAL SAN JOSÉ, S.A. RELATED TO THE PROPOSAL OF THIS COMMITTEE FOR THE RE-ELECTION OF INDEPENDENT AND EXTERNAL DIRECTORS AND THE CORRESPONDING REPORT ON THE PROPOSAL FOR THE APPOINTMENT OF AN EXECUTIVE DIRECTOR FOR ITS SUBSEQUENT RATIFICATION**

### **1. PURPOSE OF THE REPORT**

The appointments, remuneration and good governance committee of GRUPO EMPRESARIAL SAN JOSÉ, S.A. formulates this report in accordance with article 529 decies, which attributes to the appointments and remuneration committee the proposal for appointment or re-election of independent and other external directors (section 4), and the need to report on the proposals for appointment or re-election of any not independent director (section 6).

On the occasion of the next shareholders' meeting, the positions as directors of Mr. Nasser Homaid Salem Ali Alderei and Mr. Sunil Kanoria (both appointed at the meeting of 17 November 2015) and Mr. Guillermo Nielsen (appointed at the meeting of 23 June 2016) are due.

Likewise, the chairman of the committee reports that the appointment of the current general manager, Mr. José Luis González Rodríguez, as director, is planned for his subsequent appointment as CEO by the board of directors, as well as its subsequent ratification by the annual general meeting of shareholders.

The proposal for re-election and ratification of the appointment of the members of the board of directors is expected to be submitted to the approval of the general meeting convened to be held on 29 July and 30 July, 2020, at 11:00 am, in the first and second call, respectively, under the fifth item on the agenda.

### **2. Proposal for re-election of other external director**

The appointments, remuneration and good governance committee has decided to submit to the board of directors for submission to the AGM the proposal for the re-election of Mr. Nasser Homaid Salem Ali Alderei as another external director of the company.

The committee has evaluated the skills necessary for the performance of the position of director of the company and, among them, those related to the training, professional experience and suitability of the director.

In view of his personal and professional conditions, the Appointments, Remuneration and Good Governance Committee proposes to the Board the re-election of Mr. Nasser Homaid Salem Ali Alderei as another external director for the statutory period of four years.

### **3. Proposal for re-election of independent director**

The committee has also decided to submit to the board of directors for submission to the AGM the proposal for re-election of Mr. Sunil Kanoria as independent director of the company.

The committee has evaluated the skills necessary for the performance of the position of director of the company and, among them, those related to the training, professional experience and suitability of the director.

In view of his personal and professional conditions, the appointments, remuneration and good governance committee proposes to the board the re-election of Mr. Sunil Kanoria as independent director for the statutory period of four years.

#### **4. Proposal for ratification of the appointment of executive director**

The appointments, remuneration and good governance committee has analysed and reported favourably on the proposal of the board of directors to appoint the current general manager, Mr. José Luis González Rodríguez, as director, and with the condition of executive director, replacing the independent director Mr. Guillermo Nielsen.

Mr. José Luis González Rodríguez has a degree in economics from the University of Santiago de Compostela, with a master's degree in financial management and international trade from the University of Berkeley. He has practically spent his entire professional career in different companies of Grupo San José, since joining the same in the commercial area, passing through different positions of responsibility in sundry group companies, Sole Administrator of the leading company in the industrial area until being appointed, for the last 4 years, as General Manager of Grupo Empresarial San José.

The committee has evaluated the skills necessary for the performance of the position of director of the company and, among them, those related to the training, professional experience and suitability of the director, and in particular the degree of knowledge that Mr. González has of all group areas.

In view of his personal and professional conditions, the appointments, remuneration and good governance committee reports favourably to the board on the appointment of Mr. José Luis González Rodríguez as an executive director for the statutory period of four years, as well as his subsequent appointment as CEO.

#### **5. Proposed resolutions to the annual general meeting**

The full text of the proposed resolution on the re-election of two members of the board of directors and the favourable report on the appointment by the co-optation system of an executive director for subsequent ratification by the board are set out below:

##### ***Fifth. Re-appointment of Board Members:***

***Fifth A:*** *Re-appointment of Mr. Nasser Homaid Salem Ali Alderei, as external director, on proposal of the Appointments, Remuneration and Good Governance Commission.*

*Proposed resolution:*

*To reappoint, on proposal of the Appointments, Remuneration and Good Governance Commission, as member of the Company, Mr. Nasser Homaid Salem Ali Alderei as external director, for a period of 4 years as from the approval of the resolution.*

***Fifth B:*** *Re-appointment of Mr. Sunil Kanoria, as independent director, on proposal of the Appointments, Remuneration and Good Governance Commission.*

*Proposed resolution:*

*To reappoint, on proposal of the Appointments, Remuneration and Good Governance Commission, as member of the Company, Mr. Sunil Kanoria, as independent director, for a period of 4 years as from the approval of the resolution.*

**Fifth C:**

*Appointment of Mr. José Luis González Rodríguez as executive member, by co-option system of the Board of Directors to fill the vacancy of the member Mr. Guillermo Nielsen.*

*Proposed resolution:*

*To ratify Mr. José Luis González Rodríguez as a director of the company and with the condition of executive director and for the statutory period of 4 years from the approval of this agreement, a position for which he was appointed by the board of directors on 25 June 2020 by the co-option system to fill the vacancy of the member Mr. Guillermo Nielsen.*

**Madrid, on 24 June 2020**