

## **REPORT FORMULATED BY THE BOARD OF DIRECTORS OF GRUPO EMPRESARIAL SAN JOSÉ, S.A. CONCERNING THE PROPOSAL FOR THE RE-ELECTION AND RATIFICATION OF MEMBERS OF THE BOARD OF DIRECTORS**

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

The board of directors of GRUPO EMPRESARIAL SAN JOSÉ, S.A. (The “Company”) formulates this report to comply with article 529 decies of the Companies Law, by virtue of which the proposal for re-election or appointment of directors must in any case be accompanied by a report justifying the board in which the competence, experience and merits of the proposed candidate will be valued.

Due to the holding of the next annual general meeting, the positions as directors of Mr. Nasser Homaïd Salem Ali Alderei and Mr. Sunil Kanoria (both appointed at the meeting held on 17 November 2015) and Mr. Guillermo Nielsen (appointed at the meeting held on 23 June 2016) are to be due.

Likewise, the Chairman of the Board informs that the ratification of the appointment of Mr. José Luis González Rodríguez as director, who has been appointed on this date by the co-optation system as director to replace Mr. Guillermo Nielsen, is mandatory.

This proposal for re-election and ratification of the appointment is expected to be submitted to the approval of the general meeting of shareholders of the Company called for on 29 and 30 July 2020, at 11:00 am, on first and second call, respectively, under the fifth item on the agenda.

Prior to this report, the appointments and remuneration committee has issued the mandatory report at its meeting on the same date, proposing the re-election of two of the independent directors and another external director whose appointment expires and reporting on the ratification of the executive director appointed by co-optation.

Likewise, this report complies with article 518.e) of the Companies Law, which includes within the general information that the Company must publish, on the occasion of the call of the meeting and in the case of appointment, ratification or re-election of directors, the identity, the curriculum and the category to which each one belongs, as well as the proposal and reports referred to in article 529 decies (sections 4 and 6).

### **2. Report on the proposal for the re-election of Mr. Nasser Homaïd Salem Ali Alderei as other external director**

In view of his personal and professional conditions, the board of directors considers that Mr. Nasser Homaïd Salem Ali Alderei has the necessary competence, experience and merits that justify proposing to the general meeting his re-election as external other director for the statutory period of four years and reports favourably for re-election.

### **3. Report on the proposal for re-election of Mr. Sunil Kanoria, as independent director, on the proposal of the appointments and remuneration committee**

The appointments and remuneration committee has submitted to the board of directors the proposal for re-election of Mr. Sunil Kanoria as independent director of the Company.

In view of his personal and professional conditions, the appointments and remuneration committee has informed the board of directors that Mr. Sunil Kanoria has the necessary competence, experience and merits that justify proposing to the general meeting his re-election as independent director for the period statutory four years.

#### **4. Proposal for ratification of the appointment of Mr. José Luis González Rodríguez as 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.

In view of his professional career, the board considers that Mr. González meets the necessary conditions for his ratification as an executive director for the statutory period of four years.

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

The full text of the proposed resolution on the re-election of members of the board of directors is 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 25 June 2020**