

REPORT BY THE BOARD OF DIRECTORS PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. REGARDING THE PROPOSAL TO RE-ELECT FERNANDO VIVES RUIZ AS INDEPENDENT DIRECTOR AS SET FORTH IN ITEM 4.2 OF THE AGENDA FOR THE SHAREHOLDERS' GENERAL MEETING CONVENED FOR 28 APRIL 2015, ON FIRST CALL, AND FOR 29 APRIL 2015, ON SECOND CALL

The Board of Directors of Prosegur Compañía de Seguridad, S.A. (the “**Company**”) issues this report in order to justify the proposal to re-elect Mr Fernando Vives Ruiz as independent director, submitted for approval of the Shareholders’ General Meeting under item 4.2 of the agenda, as set forth in section 529 decies of the Capital Companies Act.

In fact, said section 529 decies requires that the proposal for appointment or re-election of board members must be accompanied by a justification report from the board appraising the skills, experience and merits of the proposed candidate, which shall be attached to the minutes of the shareholder meeting and which, as set forth in section 518 of the same legal text, shall be published uninterruptedly on the corporate website as of the publication of the notice of meeting.

As set forth in law and in the interest of greater transparency, this report values the skills, experience and merits of the proposed candidate to be re-elected as director of the Company, with the category of independent, and contains the necessary information so that shareholders can issue their vote on the proposal.

1º.- Professional and biographic profile of Mr Fernando Vives Ruiz and notable experience

Mr Fernando Vives Ruiz (PhD in Law, Cum Laude, by the Universidad Potificia Comillas - ICADE (2009) and graduate in Economy and Business Science (1986) and in Law (1985) by the Universidad Potificia Comillas – ICADE) has over twenty five years of experience in business law at the offices of J&A Garrigues, S.L.P. (“**Garrigues**”), where he is a partner since 1998, having taken part as legal advisor in some of the most important business transactions in Spain in recent years.

From 2001 to 2009 he led the Business Law area at Garrigues (which encompasses legal practices in the securities market, financial services, real estate, energy and telecoms, community and competition, as well as mergers and acquisitions) and since that year he is a Managing Partner of Garrigues, holding the function of Executive Chairman since 2014.

In addition, he is one of the most reputed experts in the country on good corporate governance, forming part of the Experts’ Commission on Corporate Governance created by resolution of the Cabinet on 10 May 2013 within the scope of the 2013 National Reforms Plan to advise the Spanish Government on the expansion of the current framework of good corporate governance in Spain, which resulted in the recent reform of the Capital Companies Act (December 2014) and the publication by the National Securities Market Commission of the new Code of good governance of listed companies (February 2015).

He is also a member of the Consulting Committee of the National Securities Market Commission, as a professional of renowned prestige since 2012, and professor in business Law of various institutions.

The complete curriculum vitae of Fernando Vives Ruiz is attached as an Appendix.

2°.- Date of the first and last appointment as a member of the Board of Directors

Mr Fernando Vives Ruiz was first appointed executive director Board of Directors, under the category of independent, by resolution of the Shareholders' General Meeting held on 29 May 2012, on proposal of the Appointments and Remunerations Commission.

3°.- Company shares and financial instruments derived from Company shares owned by him

Mr Fernando Vives Ruiz does not own shares of the Company or any financial instruments derived from shares of the Company.

4°.- Directorships held in other listed companies

Mr Fernando Vives Ruiz is not a member of the board of any other listed companies.

5°.- Performance appraisal

The Appointments and Remunerations Commission has led the process of appraising the performance of Company directors, highlighting in the case of Mr Fernando Vives Ruiz his contribution to the Board of Directors and the Appointments and Remuneration Commission, where he is a member secretary, and the contribution of not only his legal knowledge, but also great value to the management of the Company.

6°.- Director category

Mr Fernando Vives Ruiz has been proposed based on his personal and professional characteristics; the Appointments and Remunerations Commission and the Board have considered he can perform his function without being affected by relations with the Company or its group, its significant shareholders or executives, and therefore must hold the category of independent director.

Specifically, both the Appointments and Remunerations Commission and the Board of Directors have taken into consideration that the Garrigues office, where Mr Fernando Vives is a partner and Executive Chairman, has been recurrently serving the Prosegur group much earlier than his appointment as director of the Company, its legal and tax advisory services, as part of the

ordinary course of business and in terms of market. The Prosegur Group does not work solely with Garrigues, but also receives legal counsel and tax advice from other firms. The fees received by Garrigues from the Prosegur Group are not material for the firm as they represent less than 1% of total turnover and neither do they represent a significant amount on the accounts of the Prosegur Group. Furthermore, these services are provided through partners from firms other than Fernando Vives, whose remuneration as a partner of Garrigues is entirely independent and in no way linked to the amount invoiced by the firm to the Prosegur Group.

Accordingly, the Board of Directors considers that the business relationship between the law firm Garrigues and the Prosegur Group, due to its recurrent, non-exclusive nature in the ordinary course of business, and its scant significance in the terms outlined, in no way affects the independence of Fernando Vives to perform the duties of independent director of Prosegur. Furthermore, the Prosegur Group provides guarding services at the headquarters of Garrigues in calle Hermosilla in Madrid; the amount of such services for the Prosegur Group is not significant.

7º.- Re-election proposal

As a result of the above, the Board of Directors of the Company especially appraises the contribution of Fernando Vives Ruiz to the good operation of the body, contributing highlight relevant knowledge and experience on legal matters and, especially, on good governance, in addition to management, concluding that he fulfils the requirements of repute, suitability, solvency, competence, qualifications, training, availability and commitment to the execution of his function, and is not immersed in any case of incompatibility, prohibition or conflict of interests.

This way, Fernando Vives Ruiz has the skills, experience and merits necessary to be an independent director of the Company, and it is in the best interest of the Company that he be re-elected for such function for a new three-year period.

Therefore, on proposal of the Appointments and Remunerations Commission, the following re-election proposal is hereby raised to the General Shareholder Meeting for Fernando Vives Ruiz as independent director of Prosegur Compañía de Seguridad, S.A.:

“4.2. Re-election of Mr Fernando Vives Ruiz (independent director).

Re-elect Fernando Vives Ruiz as director of the Company, as an independent director, for the statutory period of three years.”

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Madrid, 20 March 2015

Fernando Vives Ruiz



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Year and place of birth:

1962, Madrid (Spain).

Academic education:

- PhD in Law, Cum Laude, Universidad Comillas Pontificia (ICADE), 2009. Doctoral thesis: *The effectiveness of LBOs in Spanish Law*, distinguished with the “José María Ramón de San Pedro” award by the Universidad Comillas Pontificia (ICADE) as the best doctoral thesis on Law and Business Economy related matters, 2011.
- Graduate in Economy and Business Science, Universidad Comillas Pontificia (ICADE), 1986.
- Graduate in Law, Universidad Comillas Pontificia (ICADE), 1985.

Professional experience:

Managing partner of J&A Garrigues S.L.P. lawyer firm, since 2009 and Executive Chairman since 2014.

Fernando Vives has over twenty five years of experience as a business lawyer at the Garrigues offices, and is a partner since 1998.

From 2001 to 2009 he led the Business Law area at Garrigues, which encompasses legal practices in the securities market, financial services, real estate, energy and telecoms, community and competition, as well as mergers and acquisitions.

He works in the legal areas of the securities market, corporate, mergers and acquisitions, venture capital, banking and financial law and insurance law, with a special focus on the securities market and financial services industry.

He is specialized in mergers and acquisitions, business restructuring, public offers, leveraged acquisitions of companies, securities emissions and offers and regulatory matters related to listed companies. In this sense, he has recently been involved in relevant operations such as the legal counselling of BBVA in issuing shares totalling €2,000 million through private accelerated placement within the scope of an increase in share capital of the Turkish bank Garanti (November 2014), the acquisition by BBVA of the Spanish banks Catalunya Banc (2014) and Unnim Banc (2012), several issues of convertible contingent bonds by BBVA in 2013 (first issue in Europe of this kind of instrument), 2014 and 2015, the sale of Seguros Groupama to Grupo Catalana Occidente totalling 405 million Euros (2012), the insurance banking *joint venture* in Latin America involving Banco Santander and Zurich representing 2,308 million Euros (2011) or the merger between Iberia and British Airways for 6,500 million Euros (2011).

Furthermore, he has extended experience in the good corporate governance area, being a recurrent advisor to the general shareholder meeting and board of directors of some of the most important Spanish listed companies on this matter, such as Telefónica, BBVA or Iberdrola, among others.

He was secretary of the Board of Directors of Prosegur Compañía de Seguridad until May 2012 (when he became an independent director) and of International Consolidated Airlines Group (IAG), company resulting from the merger between Iberia and British Airways, listed in the Spanish continuous market and the London stock exchange (only company that is included simultaneously in the IBEX-35 and FTSE-100 indices), until November 2013.

He is the secretary of the Board of Asociación para el Progreso de la Dirección (APD) since May 2013.

Collaboration with public institutions:

- Member of the Expert Commission on Corporate Governance created by resolution of the Cabinet on 10 May 2013 within the scope of the 2013 National Reform Plan to advise the Spanish government on the expansion of the existing scope of good corporate governance in Spain.
- Member of the Consulting Committee of the National Securities Market Commission, elected by the Board as a professional of renowned prestige, since 2012.

- He was a member, as expert in business law, of various workgroup created by the Accounting and Account Auditing Institute for drafting and review of accounting rules.

Educational experience:

- Co-Director of the Garrigues Chair for the Modernisation of Corporate Law at the Law Faculty of the Universidad Comillas Pontificia.
- Member of the Advisory Committee of the Master in Business Law at the Garrigues Centre for Education and Business Training.
- Cooperating professor in Mercantile Law, Universidad Pontificia de Comillas (ICADE).
- Professor of the Garrigues Centre for Education and Business Training.

Membership of other institutions:

- Corresponding academic of the Royal Academy of Jurisprudence and Legislation since 2014.
- Member of the Advisory Council of the Cre100do project since 2014.
- Patron of the Foundation for Financial Studies, of the Create Foundation, the Garrigues Foundation and the Pro Real Academy Foundation of Jurisprudence and Legislation. Protecting member of the Fundación Príncipe de Asturias.
- Member of the Advisory Council of the Derecho de Mercado de Valores Magazine since 2008.
- Member of the Centre for Innovation, Development and Legal Research for Latin America (Grupo de los 100), Technology Institute of Monterrey (Mexico) since 2008.
- Member of the Advisory Council of Club Empresarial ICADE since 2013.
- Second Vice-chairman of Foro de Empresas por Madrid since April 2013 until 31 December 2014.

Other aspects:

Member of the Illustrious School of Lawyers of Madrid

Presentations and publications:

Regular speaker in forums and conferences on business law matters as well as securities and financial markets and good corporate governance.

Fernando Vives has authored a large number of publications, including his books “*La impugnación de acuerdos sociales en la reforma de la legislación mercantil*” (2014), “*El derecho de suscripción preferente y su exclusión en las sociedades cotizadas*” (2010) and *Las operaciones “Public to Private” in Spanish IPO law* (2008).

Recognition:

The most relevant international legal directories highlight Fernando Vives as one of the most prestigious lawyers in Spain. For 2015 and 2014, *The Legal 500* directory appointed him *Leading individual* in the categories of *Corporate & M&A*, and in *Capital Markets* and the *Who’s who* directory in *M&A*. *Euromoney Expert Guides* classified him in *M&A*, *Corporate Governance*, *Structured Finance and Securitisation* and *Private Equity and Best Lawyer* distinguished him in *Capital Markets*, *Corporate M&A*, *Insurance and Private Equity*. *Chambers Europe* classified Fernando Vives in the category of Band 1 under *Corporate & M&A* (highlighting “*He’s among the best lawyers in Spain. It’s rare to meet a managing partner who works so closely with the client and is so present on the deals*”) and Band 2 in *Private Equity* (highlighting “*Managing Partner Fernando Vives maintains a strong presence in the market and is skilled in the key areas of banking, corporate and finance law. He comes highly recommended by clients who describe him as “An extraordinary lawyer, one of the best in Spain*”). *Chambers Global* considers him Band 1 in *Corporate & M&A* (“*He’s among the best lawyers in Spain*”) and *IFLR 1000* classified him as leading lawyer in the *Capital Markets and M&A* areas. *Forbes* magazine appointed him in 2014 as the most influential lawyer in Spain.

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March 2015