

**REPORT REGARDING THE PROPOSALS FOR RE-ELECTION AND  
APPOINTMENT OF DIRECTORS TO BE PRESENTED TO THE PROSEGUR  
COMPAÑÍA DE SEGURIDAD, S.A. 2017 GENERAL SHAREHOLDERS'  
MEETING UNDER ITEMS FIVE AND SIX OF THE AGENDA**

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This report is issued jointly by the Appointments and Remuneration Committee and the Prosegur Compañía de Seguridad, S.A. Board of Directors. ("**Prosegur**" or the "**Company**") to comply with the provisions of Article 529 decies of the Spanish Capital Companies Act in relation to the proposals to re-elect Mr Eugenio Ruiz-Gálvez Priego as another external director and to appoint Mr Ángel Durández Adeva as an independent director, which is submitted to the 2017 General Shareholders' Meeting under items five and six of the agenda.

In fact, said article 529 decies, section 5, 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 shareholders' general meeting; and, according to article 518 of the same act, shall be made available on its corporate website from the date of the publication of the announcement of the call to meeting.

Meanwhile, sections 4 and 6 of the aforementioned article 529 decies set forth that the proposal for appointment or re-election of independent directors corresponds to the Appointments and Remuneration Committee and that the proposal for appointment or re-election of any non-independent director must be preceded by a report from said committee.

As required by law, and in order to ensure greater transparency, this report, in a joint and integrated manner to facilitate its reading and consideration, incorporates the assessment of the competence, experience and merits of the proposed candidates and the proposal or report, as appropriate, from the Appointments and Remuneration Committee.

In this respect, the Board of Directors submits the following to the General Shareholders' Meeting: (i) the proposal to re-elect Mr Eugenio Ruiz-Gálvez Priego as another external director, with the favourable report from the Appointments and Remuneration Committee; and (ii) the proposal from the aforementioned Appointments and Remuneration Committee to appoint Mr Ángel Durández Adeva as an independent director.

Each of the proposals to re-elect or appoint directors is submitted for a separate and independent vote, pursuant to the provisions of Article 197 bis of the Spanish Capital Companies Act.

The first section of this report jointly assesses the proposal for re-election and appointment of Company directors drawn up by the General Shareholders' Meeting, and the second part includes the individual report of each candidate with the necessary information so that the shareholders can vote on the proposal made.

## **1.- GLOBAL INFORMATION**

The Appointments and Remuneration Committee has analysed the current composition of the Board of Directors, consisting of 8 directors, one of whom is executive director (the Managing Director, Mr Christian Gut Revoredo) and 7 with the status of non-executive directors, 4 of them being independent directors (Mr Pedro Guerrero Guerrero, Mr Eugenio Ruiz-Gálvez Priego, Mr Fernando Vives Ruiz and Mr Fernando D'Ornellas Silva), 2 proprietary directors (Mrs Helena Irene Revoredo Delvecchio, Chair of the Board of Directors, and Mrs Chantal Gut Revoredo) and 1 other external director (Mr Isidro Fernández Barreiro, Vice-Chairman of the Board of Directors).

Of the 8 members of the Board of Directors, 2 are women, thus achieving a 25% female presence.

The Board of Directors has two specific committees to assist it in effectively fulfilling its responsibilities: The Audit Committee, composed of 3 non-executive directors (2 independent directors and 1 external director), and the Appointments and Remuneration Committee, composed of 5 non-executive directors (3 independent directors, 1 proprietary director and 1 other external director), all chaired by independent directors.

In accordance with Recommendation 36 of the Code of Good Governance of listed companies of February 2015, the Appointments Committee has carried out a detailed evaluation of the performance of the Board of Directors, its committees and its members during the 2016 financial year, concluding that the Board of Directors had fulfilled its tasks and responsibilities with great diligence and dedication, with a very positive evaluation of the quality and efficiency of its operation, that the committees are adequate in terms of their composition and responsibilities, performing their duties with professionalism and diligence, that the composition and competencies of the Board of Directors are appropriate according to the Company's situation and its corporate governance needs and that the performance and contribution of each director is equally positive, all contributing with diligence and loyalty to the defence and promotion of social interest.

For the purposes of this analysis, certain relevant matters have been taken into account, which are listed below:

- In February 2017, Prosegur Cash, S.A., a subsidiary of the Prosegur Group, leader of the cash in transit business, was listed on the Stock Market. Mr Pedro Guerrero Guerrero, currently a Company director, is the Vice-Chairman and a proprietary director of Prosegur on the Prosegur Cash, S.A. Board of Directors.

- Mr Eugenio Ruiz-Gálvez Priego was appointed as a Prosegur director for the first time on 27 June 2005, meaning that he will no longer hold his status as an independent director following 12 years in that position, becoming, if applicable, another external director. In any case, Mr Ruiz-Gálvez Priego was re-elected for the last time on 30 June 2014 for a statutory period of 3 years, so his position will soon expire.
- Mr Pedro Guerrero Guerrero was appointed as a Prosegur director for the first time on 29 March 2005, so he is in a similar situation to the director Mr Eugenio Ruiz-Gálvez Priego regarding the loss of his independent status due to an elapsed period of more than 12 years in his position, which will soon expire (Mr Guerrero Guerrero was also last re-elected on 30 June 2014 for the statutory term of three years).

In this regard, however, Mr Guerrero Guerrero has expressed to the Prosegur Board of Directors his willingness to not submit his position for re-election and, as a result, to cease as a director with effect from the date of the next General Shareholders' Meeting.

In view of the foregoing, the Appointments and Remuneration Committee has assessed that 8 members is still a suitable size for the Prosegur Board of Directors, and it is best to fill the vacancy that will be left by Mr Pedro Guerrero Guerrero with the addition of a new independent director. It also considers it appropriate to propose the re-election of Mr Eugenio Ruiz-Gálvez Priego, although with the classification of another external director for the course of said 12-year term in his position.

In preparing the proposal for the re-appointment and appointment of directors, the Appointments and Remuneration Committee and the Board of Directors have taken into account all the above aspects, as well as the suitability of the professional profiles of the directors under the scope of the Company's activity and its needs to effectively carry out its supervisory and control functions.

In this respect, the professional experience, training and profile of the directors and the candidate whose appointment is submitted for the approval of the General Shareholders' Meeting attest to their merits and competence to occupy the position of Prosegur director and their experience and knowledge in different sectors and matters that are relevant to the Company.

Thus, if the re-election of Mr Eugenio Ruiz-Gálvez Priego and the appointment of Mr Ángel Durández Adeva are approved, and bearing in mind the forthcoming resignation of Mr Pedro Guerrero Guerrero, the Company's Board of Directors would continue to be composed of 8 members, one of whom will be executive director (the Managing Director, Mr Christian Gut Revoredo) and 7 as non-executive directors, three of them independent directors (Mr Fernando Vives Ruiz, Mr Fernando D'Ornellas Silva and Mr Ángel Durández Adeva), two proprietary directors (Mrs Helena Irene Revoredo Delvecchio, Chair of the Board of Directors, and Mrs Chantal Gut Revoredo) and 2 other external

directors (Mr Isidro Fernández Barreiro, Vice-Chairman of the Board of Directors, and Mr Eugenio Ruiz- Gálvez Priego)

Considering the shareholding structure of the Company, the resulting composition of the Board of Directors is considered adequate, and therefore the proposal for the re-election and appointment of directors to the General Shareholder's Meeting is also considered to be suitable.

## **2.- INDIVIDUAL REPORT**

### **2.1. Re-election of Mr Eugenio Ruiz-Gálvez Priego as director, acting as another external director.**

#### *2.1.1. Report from the Appointments and Remuneration Committee about the re-election proposal*

- Assessment of performance

The Appointments and Remuneration Committee has analysed the quality of the work carried out by Mr Eugenio Ruiz-Gálvez Priego, which has been proven since 2005, when he was appointed as director of the Company for the first time.

The dedication of Mr Eugenio Ruiz-Gálvez Priego to the position of director and member of the committees of which he has formed and forms part, as well as his knowledge, skills and experience that allow him to adequately carry out his functions, have also been considered.

The contribution of Mr Eugenio Ruiz-Gálvez Priego contributes to the fact that the Board of Directors has a balanced and adequate composition to meet its needs, making it possible for the corporate bodies to carry out their functions with the dedication and independence of criteria required for their full effectiveness.

- Evaluation of the conditions needed to carry out the position

The Appointments and Remuneration Committee has also assessed the conditions necessary for the performance of the position of Company director, including those relating to status, training, professional experience and suitability, under the terms indicated below.

- Category

Mr Eugenio Ruiz-Gálvez Priego was first appointed as Company director by resolution of the General Shareholders' Meeting held on 27 June 2005 and he

was last appointed by resolution of the General Shareholders' Meeting held on 30 June 2014 as independent director.

Since the 12 year period for which he was appointed as Company director for the first time (on 27 June 2005) is about to elapse, if re-elected, we would be given the position of another external director.

- Training and professional experience

Mr Eugenio Ruiz-Gálvez Priego is a Civil Engineer with an MBA from Stanford University.

He was Managing Director of the Uralita Group from 1993 and Vice-Chairman from 1997 to 2002. Director of Ebro Foods (formerly Azucarera Ebro Agrícolas and later Ebro Puleva) from 2000 and Managing Director of Azucarera Ebro between 2000 and 2010.

He joined to Prosegur Board of Directors in 2005, and was also a director of the Corporación Financiera Alba, S.A. between 2010 and 2015.

He has a wide range of experience in institutional management in Spain and in the European Commission.

Therefore, his training and professional experience fully qualify him for the position of Company director.

The complete curriculum vitae of *Mr Eugenio Ruiz-Gálvez Priego* is attached as an Appendix.

- Suitability

The Appointments and Remuneration Committee has verified and confirmed the suitability of Mr Eugenio Ruiz-Gálvez Priego to exercise the position, meeting the requirements of commercial and professional honourability and adequate knowledge and experience to perform his duties as Company director.

- Conclusion of the Appointments and Remuneration Committee

As a result of the foregoing and considering the shareholding structure of the Company, the current needs of the Company's corporate bodies, the current and planned structure, size and composition of the Board of Directors and the personal and professional conditions of the candidate, the Appointment and Remuneration Committee considers that Mr Eugenio Ruiz-Gálvez Priego has the appropriate knowledge and experience to perform the position of director and meets the requirements of suitability that are required in such a condition, and therefore issues its favourable report for the proposed re-election of Mr Eugenio

Ruiz-Gálvez Priego as a director of Prosegur, for the statutory period of three years and with the category of another external director.

#### 2.1.2. *Report from the Board of Directors about the proposed re-election*

As set forth by applicable regulations, the Board of Directors has evaluated the skills, experience and merits of Mr Eugenio Ruiz-Gálvez Priego for the purposes of his proposal for re-election as a director of Prosegur, taking into consideration the favourable report from the Appointments and Remuneration Committee, stating the following:

- Professional and biographic profile and notable experience

This was stated in section 2.1.1 above, so it is incorporated by reference to avoid unnecessary repetitions.

- Date of the first and last appointment as a Company director

Mr Eugenio Ruiz-Gálvez Priego was first appointed as Company director by resolution of the General Shareholders' Meeting held on 27 June 2005 and he was last appointed by resolution of the General Shareholders' Meeting held on 30 June 2014 as independent director.

- Company shares and financial instruments deriving from company shares owned by him

Mr Eugenio Ruiz-Gálvez Priego holds no Company shares, nor does he hold any financial instruments derived from Company shares.

- Directory category

The re-election of Mr Eugenio Ruiz-Gálvez Priego has been proposed because of his personal and professional qualities, with both the Appointments and Remuneration Committee and the Board of Directors judging that he can carry out his duties positively, in this case being re-elected to the position of other external director, having held the post of director for almost 12 years (which prevents him being re-elected as independent director).

#### 2.1.3. *Conclusion*

Taking all the above into account, and likewise considering the favourable report from the Appointments and Remuneration Committee, the Company's Board of Directors especially values the contribution of Mr Eugenio Ruiz-Gálvez Priego to the effective functioning of the governing body, providing especially relevant knowledge and experience, concluding that he meets the requirements of honourableness, suitability, solvency, competence, qualifications, training,

availability and work commitment to carry out the duties of the role, and is not disqualified due to any incompatibility, prohibition or conflict of interests.

Hence, Mr Eugenio Ruiz-Gálvez Priego has the skills, experience and merits necessary to be a Company director, with the category of another external director, and it is in the best interest of the Company that he be re-elected for this position.

Therefore, in light of the favourable report from the Appointments and Remuneration Committee, the General Shareholders' Meeting proposes to re-elect Mr Eugenio Ruiz-Gálvez Priego as a director, with the category of another external director, for the statutory term of 3 years.

## **2.2. Appointment of Mr Ángel Durández Adeva as director, acting as an independent director.**

### *2.2.1. Proposal from the Appointments and Remuneration Committee*

It is hereby expressly stated that the proposal to appoint Mr Ángel Durández Adeva as independent director comes from the Appointments and Remuneration Committee.

### *2.2.2. Report about the appointment proposal*

As set forth by applicable regulations, the Board of Directors has evaluated the skills, experience and merits of Mr Ángel Durández Adeva for the purposes of his proposal for appointment as a director of Prosegur, proposed by the Appointments and Remuneration Committee, stating the following:

- Professional and biographic profile and notable experience

Mr Ángel Durández Adeva holds a degree in Economics, is a Business Professor, Chartered Accountant and a founding member of the Federation of Accountants and Auditors.

He joined Arthur Andersen in 1965 and was a partner from 1976, holding various positions of responsibility within Andersen Worldwide until his retirement in 2000. From 2004 to 2016 he was the Chief Executive Officer of OJD (Oficina para la Justificación de la Difusión, S.A.).

He is currently a director of Mediaset España, S.A. and Repsol, S.A. and Chairman and main shareholder of Arcadia Capital, a company dedicated to providing financial-fiscal schemes to develop audiovisual projects.

He is a member of the Círculo de Empresarios and Vice-Chairman of the Euroamérica Foundation, of which he is the founding member, an entity

dedicated to promoting business, political and cultural relations between the European Union and the different Ibero-American countries.

Therefore, his training and professional experience fully qualify him for the position of Company director.

The complete curriculum vitae of Mr Ángel Durández Adeva is attached as an Appendix.

- Company shares and financial instruments deriving from company shares owned by him

Don Ángel Durández Adeva holds no Company shares, nor does he hold any financial instruments derived from Company shares.

- Membership to other boards of directors and other relevant positions

Mr Ángel Durández Adeva is a director of Mediaset España, S.A. and Repsol, S.A. He is the Chairman and main shareholder of Arcadia Capital, a company dedicated to providing financial-fiscal schemes to develop audiovisual projects. See other relevant positions in his *curriculum vitae*, attached.

- Directory category

Mr Ángel Durández Adeva has been proposed because of his personal and professional qualities, with both the Appointments and Remuneration Committee and the Board of Directors itself judging that he can carry out his duties without being conditioned by any relationships with the Company or its group, or its significant shareholders or managers, and should consequently hold the post of independent director.

### 2.2.3. *Proposal for appointment*

Taking all the above into account, the Board of Directors particularly values the fact that Mr Ángel Durández Adeva can contribute to the effective functioning of the governing body, providing especially relevant knowledge and experience in terms of management, and concludes that he meets the requirements of honourableness, suitability, solvency, competence, qualifications, training, availability and work commitment to carry out the duties required of the post, and is not disqualified due to incompatibility, disqualification or conflict of interest.

Hence, Mr Ángel Durández Adeva has the skills, experience and merits necessary to be a director of the Company, with the category of independent director, and it is in the best interest of the Company that he be appointed for said position.

Therefore, in light of the proposal from the Appointments and Remuneration Committee, the General Shareholder Meeting proposes the appointment of Mr Ángel Durández Adeva as director of Prosegur, with the category of independent director, for the statutory term of 3 years.

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Madrid, 27 April 2017

**ANNEXES**

***CURRICULUM VITAE* OF THE PROPOSED CANDIDATES**

**GENERAL SHAREHOLDERS' MEETING 2017**

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## ***Curriculum vitae* of Mr Eugenio Ruiz-Gálvez Priego**

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**Date of birth:** 29 September 1945.

**Training:**

- Civil Engineer. ETS Madrid. 1970.
- Master Business Administration (MBA). Stanford University. 1973.

**Languages:** English, French.

**Professional Experience:**

- Jul 2000 - Sept 2010: Director of Delegado Azucarera Ebro, S.L. (formerly Azucarera Ebro Agrícolas).
- Aug 73 – Jul 2000: Grupo Uralita.
- Jul 97 – Jul 2000: Vice-Chairman and Director Uralita (Desarrollo Internacional Group).
- Nov 93 - Jul 97: Managing Director Uralita Group.
- Sep 91: Managing Director Uralita Group (director from Sep 1992).
- Sep 89 - Sep 91: Manager of the Plastics and Plasters Line.
- Nov 87 - Sep 89: General Sub-Manager Uralita.
- Sep 85 - Nov 87: Manager of the Plastics Division.
- Oct 81 - Sep 85: Manager of Diversification and Development.
- Sep 77 - Oct 81: General Manager EPYSA (Española Placa de Yesos).
- Aug 73 - Sep 77: Project Manager New Products Division.
- Sep 70 - Aug 71: INYPSA (Informes y Proyectos, S.A.). Design Engineer.

**Membership to boards of directors of listed companies:**

- Director Energía e Industrias Aragonesas, S.A. (1987 - Dec 2002).
- Director Uralita, S.A. (1992 - Dec 2002).
- Ebro Puleva / Ebro Foods (Jun 2000 - Dec 2016).
- Puleva Biotech (May 2004 - May 2008).
- Prosegur (2005 - Current).

- Corporación Financiera Alba (2010 - 2015).

**Membership to boards of directors of non-listed companies:**

- Subsidiaries of the Uralita Group (Aiscondel, Itece, Epysa, etc.).
- Subsidiaries of the Ebro Puleva Group (Comel, etc.).
- Contenur (Investor Chairman with 3i).

**Others:**

- 1994 - 2010: Member of the Circulo Empresarios
- Jun 2001 - Jun 2010: Member Presidium CEFS (European Employers' Association Sugar).
- Jun 2005 - Jun 2010: Member of the FIAB Executive Committee (Food / Drink Employers' Association).
- Wide range of experience in institutional management in Spain and in the European Commission.

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## *Curriculum vitae* of Mr Ángel Duráñez Adeva

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**Date of birth:** 21 March 1943

### **Training:**

- Degree in Economics.
- Business Professor.
- Chartered Accountant.

### **Professional Experience:**

He joined Arthur Andersen in 1965 and was named as a member in 1976. He retired in 2000.

Between 1989 and 1995 he was successively elected as a member of the Andersen Worldwide Partners Council and trustee of the Arthur Andersen Foundation. He managed to offices in Barcelona (1976-1981) and Madrid (1981-1996). He was the partner in Spain responsible for the Communication and Marketing activities and the partner in Europe responsible for the Means of Communication and Entertainment industry. Member of different global committees of Andersen Worldwide (setting standards, human resources, training, selection of managing partner, etc.).

Between 2004 and 2016, he was the Executive Chairman of OJD (Oficina para la Justificación de la Difusión, S.A.).

Chairman and main shareholder of Arcadia Capital, a company dedicated to providing financial-fiscal schemes to develop audiovisual projects.

### **Membership to boards of directors:**

- 1990-1995: Director of Andersen Worldwide Board of Partners.
- 2004: appointed independent director of Mediaset España, S.A. (the largest private television operator in Spain, whose main shareholder is Mediaset - Italy). Chairman of the Audit and Compliance Committee.
- 2007: appointed independent director of Repsol, S.A. Member of the Audit and Control Committee (which he chaired between 2010 and 2014).
- 2009: appointed director of Ideas4all, S.L., a new technology company that launched an ideas social network.

**Others:**

- Active participant in training and educational activities (Guest Professor at one of the masters of the University of Navarra) and assiduous collaborator in debate forums on matters of corporate governance and audit.
- Member of several advisory councils in different institutions.
- Founding member of the Federation of Accountants and Auditors.
- Vice-Chairman of the Euroamerica Foundation (whose objective is to strengthen relations between Europe and Latin America). He chairs its Delegate Committee.
- Member of the *Círculo de Empresarios*, the most important association of entrepreneurs in Spain.

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