

**REPORT ON THE PROPOSAL FOR THE RE-ELECTION OF MR.  
FERNANDO VIVES RUIZ AS INDEPENDENT DIRECTOR, SUBMITTED TO  
THE 2018 GENERAL SHAREHOLDERS' MEETING OF PROSEGUR  
COMPAÑÍA DE SEGURIDAD, S.A. UNDER ITEM FOUR ON ITS AGENDA**

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This report is issued by the Board of Directors of Prosegur Compañía de Seguridad, S.A. (the “**Company**”) with a view to complying with article 529 *decies* of the Companies Law (*Ley de Sociedades de Capital*) in relation to the proposal for the re-election of Mr. Fernando Vives Ruiz as independent director, submitted to the 2018 General Shareholders’ Meeting under item four on its agenda.

In fact, article 529 *decies*, subarticle 5, requires that the proposal for the appointment or re-election of board members be accompanied in all cases by a justifying report, in which the board assesses the competence, experience and merits of the proposed candidate, which is to be attached to the minutes of the shareholders’ meeting and which, pursuant to article 518 of the same law, should be posted uninterruptedly on the corporate website from the time the call notice is posted.

In turn, pursuant to subarticle 4 of article 529 *decies*, the proposal for re-election of independent directors must be made by the Appointments and Remuneration Committee.

As required by law and in the interest of the greatest possible transparency, this report includes not only an assessment of the competence, experience and merits of the candidate proposed, but also the proposal of the Appointments and Remuneration Committee, with a view to facilitating its reading and consideration.

Accordingly, the Board of Directors submits to the General Shareholders’ Meeting the proposal for the re-election of Mr. Fernando Vives Ruiz as independent nonexecutive director, at the proposal of the Appointments and Remuneration Committee.

The first section of this report contains an analysis of the composition and performance of the Board of Directors, which globally supports the proposal for re-election now submitted to the General Shareholders’ Meeting, and the second section includes an individual report on the candidate with the information necessary for shareholders to be able to cast their vote on the proposal.

**1.- COMPOSITION AND PERFORMANCE OF THE BOARD OF DIRECTORS**

The Appointments and Remuneration Committee has analyzed the current composition of the Board of Directors, formed by eight directors, of which one has the status of executive director (the Chief Executive Officer, Mr. Christian Gut Revoredo) and seven

have the status of nonexecutive directors, three of which are independent directors (Mr. Fernando Vives Ruiz, Mr. Fernando D'Ornellas Silva and Mr. Ángel Durández Adeva), two are nominee directors (Ms. Helena Irene Revoredo Delvecchio, Chairman of the Board, and Ms. Chantal Gut Revoredo) and two others nonexecutive directors (Mr. Isidro Fernández Barreiro, Deputy Chairman of the Board, and Mr. Eugenio Ruiz-Gálvez Priego).

Of the eight Board members, two are women and, thus, the representation of women on the Board has reached 25%.

The Board has two specific committees that assist it in the effective fulfillment of its responsibilities: the Audit Committee, made up of three nonexecutive directors (two independent and one other nonexecutive director) and the Appointments and Remuneration Committee, made up of five nonexecutive directors (three independent directors, one nominee director and one other nonexecutive director), both chaired by independent directors.

In accordance with Recommendation 36 of the Good Governance Code of Listed Companies of February 2015, the Appointments and Remuneration Committee has made a detailed assessment of the performance of the Board, its committees and its members during 2017, concluding that the Board has fulfilled its duties and responsibilities with considerable diligence and dedication, valuing very positively the quality and efficiency of its functioning and taking the view that its committees are suitable in terms of their composition and responsibilities, fulfilling their duties professionally and diligently; the composition and authorities of the Board are consistent with the Company's position and meet its corporate governance needs; and the performance and contribution of each director is also very positive, all directors contributing with diligence and loyalty to the defense and promotion of the Company's interests.

Having regard to the foregoing, the Appointments and Remuneration Committee considers that eight continues to be a suitable number of members for the Company's Board, thus deeming it appropriate to propose the re-election of Mr. Fernando Vives Ruiz as independent director.

When preparing the proposal for the director's re-election, the Appointments and Remuneration Committee and the Board itself have borne all of the foregoing aspects in mind, as well as the suitability of each director's professional profile to the scope of the Company's activity and to its needs, so as to enable the efficient discharge of its supervisory and control functions.

In this connection, the experience, training and professional profile of the directors and of the candidate whose re-election is submitted to the General Shareholders' Meeting for approval serve as evidence of their merits and ability to occupy the position of Company director, as well as of their experience and knowledge in various industries and matters of significance to the Company.

In this way, should the re-election of Mr. Fernando Vives Ruiz be approved, the Company's Board would continue to be formed by the eight members indicated above.

Having regard to the Company's shareholding structure, the resulting composition of the Board of Directors is deemed suitable and, from this standpoint, the proposal for the re-election of Mr. Fernando Vives Ruiz as independent director is submitted to the General Shareholders' Meeting.

## **2.- INDIVIDUAL REPORT ON THE PROPOSAL FOR THE RE-ELECTION OF MR. FERNANDO VIVES RUIZ AS INDEPENDENT DIRECTOR**

### *2.1. Proposal of the Appointments and Remuneration Committee*

It is expressly stated that the proposal for the re-election of Mr. Fernando Vives Ruiz as independent director was made by the Appointments and Remuneration Committee.

### *2.2. Report by the Board of Directors on the proposal for re-election*

As required by the applicable legislation, the Board of Directors has assessed the competence, experience and merits of Mr. Fernando Vives Ruiz in connection with the proposal for his re-election made by the Appointments and Remuneration Committee, leaving record of the following:

- Professional and biographical profile and notable experience

Mr. Fernando Vives Ruiz (Doctor of Law, Cum Laude, from the Universidad Pontificia de Comillas – ICADE (2009), Degree in Economics and Business Studies (1986) and Degree in Law (1985), both from the Universidad Pontificia de Comillas – ICADE) has more than thirty years of experience in the practice of commercial law at the law firm J&A Garrigues, S.L.P. (“**Garrigues**”), of which he has been a partner since 1998, having participated as legal advisor in some of the most important business operations in Spain in recent years.

Between 2001 and 2009 he headed the Corporate Law practice of Garrigues and since 2009 has been Managing Partner of Garrigues, holding office as Executive Chairman since 2014.

He has provided counsel on some of the main capital market and M&A transactions.

He is also one of the most renowned experts in the country on matters of good corporate governance. He was a member of the Corporate Governance Committee of Experts set up under a resolution of the Cabinet of Ministers on

May 10, 2013 within the framework of the 2013 National Plan of Reforms to advise the Spanish government on the broadening of the current Good Corporate Governance framework in Spain, which gave rise to the reform of the Capital Companies Law (December 2014) and to the publication by the National Securities Market Commission of the new Good Governance Code of Listed Companies (February 2015).

Author of more than 50 articles in journals specializing in corporate law.

He has been Director and Board Secretary of the Asociación para el Progreso de la Dirección (APD) since May 2013.

He has been a member of the Advisory Committee of the Spanish National Securities Market Commission, chosen as a renowned professional, since 2012, and is a lecturer in Commercial Law at ICADE.

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

- Company shares and derivative financial instruments on Company shares owned by him

Mr. Fernando Vives Ruiz does not own Company shares or derivative financial instruments on Company shares.

- Membership on other boards of directors of listed companies

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

- Date of first and last appointment as Company director

Mr. Fernando Vives Ruiz was nominated as Company director for the first time in a resolution of the General Shareholders' Meeting held on May 29, 2012, and was nominated for the last time in a resolution of the General Shareholders' Meeting held on April 28, 2015, as independent director.

- Assessment of performance

The Board has analyzed the quality of the work performed by Mr. Fernando Vives Ruiz, which has been more than proven since 2012, when he was nominated as Company director for the first time.

Consideration was also given to the dedication shown by Mr. Fernando Vives Ruiz to the position of director and member of the Appointments and Remuneration Committee, of which he is currently chairman, as well as to his knowledge, competencies and experience, which enables him to discharge his functions suitably.

The contribution of Mr. Fernando Vives Ruiz contributes to the balanced composition of the Board, consistent with its needs, thus enabling the corporate bodies to discharge their functions with the dedication and independence of opinion required for their full effectiveness.

- Category of director

The re-election of Mr. Fernando Vives Ruiz is proposed having regard to his personal and professional characteristics, the Appointments and Remuneration Committee and the Board itself having valued the fact that he is capable of serving as director without being influenced by relationships with the Company or its group, its significant shareholders or its executives, for which reason he should fall under the category of independent director.

In particular, both the Appointments and Remuneration Committee and the Board itself have borne in mind that the Garrigues law firm, of which Mr. Fernando Vives is partner and Executive Chairman, provides the Prosegur Group with tax and legal advisory services, on a recurring basis and since long before his appointment as Company director, within the ordinary course of business and at arm's length. The Prosegur Group does not work exclusively with Garrigues, but also receives tax and legal advice from other firms.

The fees received by Garrigues from the Prosegur Group are not materially significant to the firm, given that they represent less than 1% of its total billings, and neither do they represent a significant amount in the accounts of the Prosegur Group. Furthermore, such services are provided by partners of the firm other than Mr. Fernando Vives Ruiz, whose remuneration as a partner of Garrigues is totally independent and in no way related to the firm's billing of the Prosegur Group.

The Board of Directors therefore takes the view that, because the business relationship between Garrigues and the Prosegur Group is recurring, related to the ordinary course of business, non-exclusive and of minor importance on the terms pointed out above, it has no impact whatsoever on the independence of Mr. Fernando Vives Ruiz when serving as independent director of the Company.

In turn, the Prosegur Group provides surveillance services at the headquarters of Garrigues on calle Hermosilla, in Madrid, but the amount of such services is not significant to the Prosegur Group and, accordingly, this again in no way compromises the independence of Mr. Fernando Vives Ruiz as Company director.

### 2.3. *Proposal for re-election*

Having regard to all of the foregoing, the Company's Board especially values the contribution of Mr. Fernando Vives Ruiz to the good functioning of the Board, given his contribution of extremely important knowledge and experience, concluding that he meets the requirements of integrity, suitability, solvency, competence, qualification, training, availability and commitment to his function as director, not being subject to any incompatibility, prohibition or conflict of interest.

Accordingly, Mr. Fernando Vives Ruiz has the competence, experience and merits necessary for serving as independent director of the Company, and it is in the Company's best interest that he be re-elected to such position.

By virtue thereof, at the proposal of the Appointments and Remuneration Committee, the re-election of Mr. Fernando Vives Ruiz as independent director is proposed to the General Shareholders' Meeting for a term of 3 years, as stipulated in the by-laws.

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Madrid, April 26, 2018

## APPENDIX

### *CURRICULUM VITAE OF THE PROPOSED CANDIDATE*

#### 2018 GENERAL SHAREHOLDERS' MEETING

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## Fernando Vives Ruiz

### **Birth year and place:**

1962, Madrid (Spain).

### **Academic Background:**

- Doctor of Law (Cum Laude), Universidad Pontificia Comillas (ICADE), 2009. Doctoral thesis: Validity of LBOs under Spanish Law, awarded the “José María Ramón San Pedro” prize by Universidad Pontificia de Comillas (ICADE) for the best doctoral thesis on issues relating to Business Economics and Law, 2011.
- Degree in Economics and Business Studies, Universidad Pontificia Comillas (ICADE), 1986.
- Degree in Law, Universidad Pontificia Comillas (ICADE), 1985.

### **Professional Experience:**

Managing Partner of the law firm J&A Garrigues, S.L.P. since 2009 and Executive Chairman since 2014.

Fernando Vives has more than twenty-five years' experience in the practice of commercial law at the Garrigues law firm, and has been a partner since 1998.

Between 2001 and 2009 he headed Garrigues' Corporate/Commercial Law practice, encompassing the securities market, financial services, real estate, energy and telecommunications, EU and competition and M&A areas.

He practices in the areas of securities market law, corporate law, M&A, private equity, banking & finance law and insurance law, with particular emphasis on capital markets and financial services.

He specializes in major transactions involving mergers, reorganizations, tender offers, corporate LBOs, securities issues and public offerings, and regulatory matters concerning listed companies.

He also has wide experience in the area of good corporate governance, and is the recurring advisor on the matter to the shareholders' meeting and board of directors of some of the most important Spanish listed companies.

#### **Collaborations with public institutions:**

- Member of the Corporate Governance Committee of Experts set up under a resolution of the Cabinet of Ministers on May 10, 2013 within the framework of the 2013 National Plan of Reforms to advise the Spanish government on the broadening of the current Good Corporate Governance framework in Spain.
- Member of the Advisory Committee of the Spanish National Securities Market Commission, chosen by its Board as a renowned professional, since 2012.
- Member, as a corporate/commercial law expert, of various working groups created by the Spanish Accounting and Audit Institute (ICAC) to prepare and review accounting standards.

#### **Teaching experience:**

- Member of the Business Academic Counsel of the Master's Degree in Corporate Law Consultancy of the Universidad Carlos III in Madrid (2016).
- Lecturer in Commercial Law, Universidad Pontificia Comillas (ICADE).
- Lecturer at the Garrigues Centro de Estudios y Formación Empresarial.
- Co-Director of the Garrigues-ICADE Chair for the modernization of Corporate Law at Universidad Pontificia Comillas.

#### **Membership of other institutions:**

- Member of the Commission of Experts in Corporate Law of the Instituto Iberoamericano de Derecho y Finanzas (2017).
- Member of the Follow-Up Committee of the Double Degree in Law and Management of Universidad Católica de Oporto - Facultad de derecho - Escola do Porto e Católica Porto Business School (2017).
- Corresponding member of the Royal Academy of Jurisprudence and Legislation since 2014.



- Member of the Advisory Board of proyecto Cre100do since 2014.
- Trustee of Fundación de Estudios Financieros, Fundación Create, Fundación Garrigues and Fundación Pro Real Academia de Jurisprudencia y Legislación. Patron of the Foundation of the Princess of Asturias Foundation.
- Member of the Advisory Council of Revista de Derecho de Mercado de Valores since 2008.
- Member of the Center for Legal Research, Development and Innovation for Latin America (Group of 100), Instituto Tecnológico de Monterrey (Mexico), since 2008.
- Member of the Advisory Council of Club Empresarial ICADE since 2013.
- Second Deputy Chairman of the Madrid Business Forum, from April 2013 to December 31, 2014.

#### **Other Aspects:**

Member of the Madrid Bar Association.

#### **Accolades and Awards:**

Chambers Europe Awards. Outstanding contribution to the Legal Profession (2018)

Forbes Awards. Best Managing Partner. (2017)

San Raimundo de Peñafort Medal of Honor. (2016)

Expansión. I Edition Expansión legal awards for excellence in the practice of commercial law, Fernando Vives granted award as Best Lawyer of the year. (2016)

ICADE Asociación. Well-Established Career Award. (2015)

Forbes Magazine: named most influential lawyer in Spain. (2014)

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April 2018