

**REPORT BEING SUBMITTED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF THE COMPANY VIDRALA, S.A., IN RELATION TO THE RESOLUTION REFERRED TO IN AGENDA ITEM NINE FOR THE ANNUAL GENERAL MEETING.**

**1. PURPOSE OF THIS REPORT.**

Section 529.decies.4 of the Corporate Enterprises Act, as currently in force, establishes among other requirements that proposals to appoint or re-elect the members of a listed company's Board of Directors must be accompanied by a justifying report produced by the Appointments and Remuneration Committee, which must contain an assessment of the proposed candidate's abilities, experience, and merits.

The purpose of this report is to comply with the provisions from that section. It has been produced by the Board Appointments and Remuneration Committee of Vidrala, S.A. ("Vidrala" or the "Company") in order to justify the proposal that will be submitted to the Company's General Meeting for its approval, as agenda item nine, at the meeting called for 2 July 2020 at 12.00 p.m. on first call and for the same time the next day, 3 July 2020, on second call.

**2. JUSTIFICATION OF THE PROPOSAL.**

The Appointments and Remuneration Committee, at its meeting held today, has agreed to escalate to the Company's Board the proposal to re-elect Mr Jan G Astrand as an independent director, for the term established in the Articles of Association, to be presented at the next Annual General Meeting for a decision.

The most recent appointment of Mr Jan G Astrand as one of the Company's directors (which was his first appointment) was for the term of four (4) years established in the Company's Articles, and it was approved at the General Meeting held on 31 May 2016. Because that appointment's term has now come to an end, during the last few weeks the Appointments and Remuneration Committee has been evaluating whether or not it is appropriate to propose his re-election.

In the context of assessing the appropriateness of his re-election, the Appointments and Remuneration Committee has re-evaluated that director's abilities, experience, merits, suitability, and personal character, as well as whether he meets the requirements pertaining to his independence and his classification as an independent director.

For such purposes, the Appointments and Remuneration Committee has pursued a double focus, where (a) on one hand, the level of those circumstances now existing has been compared with the level of those circumstances at the time of his initial appointment (in other words, carrying out a dynamic and relative study, reviewing the evolution over a period of time); and (b) on the other hand, the current level of those circumstances has been analysed, performing a summary of the factors



described above and viewing the independent director as a hypothetical candidate for a first-time appointment (in other words, performing a static, absolute study by reviewing certain conditions at a specific point in time).

Based on the conclusions drawn from that process, the Appointments and Remuneration Committee has decided to propose re-election of Mr Jan G Astrand as an independent director of the Company, for the term established in its Articles.

#### Professional profile

The professional profile for Mr Jan G Astrand is available to the public at the Company's website, at the following link: <http://www.vidrala.com/es/inversores/gobierno/consejo-de-administracion/>.

Finally, it must also be mentioned that Mr Jan G Astrand has abstained from participating in the deliberations on his proposed re-election.

#### **3. FULL TEXT OF THE PROPOSED RESOLUTION BEING SUBMITTED TO THE ANNUAL GENERAL MEETING FOR ITS DELIBERATION AND DECISION.**

**"NINE. Re-election of Mr Jan G Astrand as a member of the Company's Board, in the category of independent director and for the term established in the Articles of Association.**

In conformity with Article 26 of the Articles of Association, to re-elect Mr Jan G Astrand as a Board member for a term of four years.

Mr Jan G Astrand is classified as an Independent Director.

The Appointments and Remuneration Committee has produced a report justifying the proposal presented here."

*In Llodio, on 27 May 2020*