



REPORT PRESENTED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF VIDRALA, S.A. IN RELATION TO THE RESOLUTION REFERRED TO IN ITEM SEVEN OF THE AGENDA FOR THE ANNUAL GENERAL MEETING.

1.- OBJECT OF THIS REPORT.

Paragraph four of section 529 (x) of the current Spanish Companies' Law ("Ley de Sociedades de Capital") contains a requirement, among others, that the resolution to appoint or re-elect Board members of the listed company be accompanied by a justifying report prepared by the Appointments and Remuneration Committee assessing the skills, experience and merits of the candidate proposed.

The purpose of this report is to comply with the aforementioned rule. It has been prepared by the Appointments and Remuneration Committee of Vidrala, S.A. ("**Vidrala**" or the "**Company**") to justify the RESOLUTION — which is submitted for the of approval the Company's General Meeting to be held on 28 May 2019 at 12 PM on first call and on 29 May 2019 at the same time on second call under agenda item five.

2.- JUSTIFICATION OF THE RESOLUTION.

The Appointments and Remuneration Committee of the Board of Directors has assessed the resolution to appoint Mr Fernando Gumuzio Iñiguez de Onzoño as an independent director based on the deliberations of the Committee, as well as the current rules of the Board Regulations related to the suitability of the directors of Vidrala S.A.

The Appointments and Remuneration Committee of the Board of Directors has analysed the current composition of the Board and its needs, assessing the conditions that directors must meet to discharge their duties and the dedication required to carry out their duties satisfactorily, in particular, in relation to independent directors.

To that end, the Committee met on various occasions in 2018 with the goal of beginning a reflection process aimed at selecting a new member of the Company's Board of Directors who will serve as an independent director.

This selection process arose because the Company realised it had to increase the number of independent directors to comply with the highest standards of good corporate governance. The selection process — in which more than a dozen candidates were analysed — encouraged the search for candidates with knowledge and experience that they can contribute within the framework of their duties as members of the Company's Board of Directors. All the candidates for Director of the Company that were assessed had to be, in all cases, honourable and suitable persons of recognised solvency, skill, experience, qualifications, training, availability and commitment to their duties, and whose professional conduct and career was in keeping with the ethical principles and corporate values of the Vidrala group. Furthermore, the Committee assessed whether they had adequate knowledge of Spanish and English in order to perform their duties.



During its analysis, with the selection of the candidate, the Appointments and Remuneration Committee sought to ensure an overall diverse and balanced Board of Directors by choosing a candidate who enriches the decision-making process and provides different points of view to debates related to their areas of expertise. In this regard, the Appointments and Remuneration Committee has made the commitment to promote the diversity of the Board and, to that end, when selecting the candidate, they assessed candidates whose appointment would contribute to the directors having various capacities, knowledge, experiences, origins, nationalities, ages and genders.

With a degree in law and economics from the University of Deusto, Mr Fernando Gumuzio Iñíguez de Onzoño is the founding partner of the Azora Group and a director of Azora Capital and its investees. He has been a developer and director of the REIT, Hispania Activos Inmobiliarios, since its formation.

In addition, he is the Chairman of the Taper Group, a company involved in healthcare and scientific technology, haemodialysis clinics and sports centres; an independent director of Zelnova, a company that engages in drug research and development; and an independent director of Genómica, a company engaged in molecular diagnostics.

Before the foundation of the Azora Group, he was the general manager of the asset management, private banking and bancassurance division of the Santander Group and a member of its management committee, in addition to the director of various Santander Group companies. Mr Fernando Gumuzio Iñíguez de Onzoño has also been, among other things, an independent director of Caixa Geral bank, Chairman of the Board of Sample Test, a clinical analysis and diagnostic services laboratory, Executive Deputy Chairman of Corporación Eólica CESA, a renewable energy company, chairman of Transmol Logística, an oil and gas logistics and natural gas management company and independent director of the listed companies, Cortefiel and Zeltia.

The Committee has assessed the skills, experience and merits of the candidate proposed. In particular, it has assessed the requirements established in section 529 (xii) of the Spanish Companies' Law ("*Ley de Sociedades de Capital*") and the manner in which the director effectively fulfils the condition of independent director.

As a conclusion to the foregoing, the Appointments and Remuneration Committee of the Board of Directors of Vidrala considers that Mr Fernando Gumuzio Iñíguez de Onzoño has the skills, experience and merits necessary for the purpose of proposing his appointment to the Company's Annual General Meeting as a Board member, as an independent director, for the statutory period of four years.

3.- COMPLETE TEXT OF THE RESOLUTION SUBMITTED TO THE ANNUAL GENERAL MEETING FOR DELIBERATION AND A DECISION.

"SEVEN.- *In accordance with article 26.1 of the Articles of Association, determination of the number of directors and subsequent appointment of Mr Fernando Gumuzio Iñíguez de Onzoño as a new Board member as an independent director.*



- 7.1.- *In accordance with article 26.1 of the Articles of Association, set the number of members of the Company's Board of Directors at eleven (11)*
- 7.2.- *In accordance with article 26 of the Articles of Association, appoint Mr Fernando Gumuzio Iñíguez de Onzoño as a Board member, for a period of four years.*

Mr Fernando Gumuzio Iñíguez de Onzoño is an Independent Director.

It is noted that the Appointments and Remuneration Committee has prepared a report justifying the resolution submitted here."

Llodio, 16 April 2019