

**REPORT DRAWN UP BY THE AUDIT AND APPOINTMENTS COMMITTEE
OF DINAMIA CAPITAL PRIVADO, S.C.R., S.A., ON ITS ACTIVITIES IN FY
2008**

I. Introduction.

The Bylaws and Board Regulations of Dinamia Capital Privado, S.C.R., S.A. (“Dinamia” or “the Company”) provide that the Audit and Appointments Committee shall draw up an annual report on its activities, noting the main events arising in relation to its functions. Therefore, the Committee has drawn up the present report in which it may also include, if considered appropriate, proposals to improve the Company’s governance regulations as stipulated in Articles 22.bis of the Bylaws and Article 13 of the Board Regulations.

This report relates to the Audit and Appointment Committee’s activities during 2008 and will be available to shareholders and investors on the Company’s website (www.dinamia.es) once the Annual General Meeting of Shareholders has been convened.

II. Composition of the Committee.

Under the above-mentioned Article 22 of the Bylaws and Article 13 of the Board Regulations (amended in 2007), the Audit and Appointments Committee shall comprise a minimum of three external non-executive directors appointed by the Board of Directors for a three-year term.

During the first half of 2008, the Audit and Appointments Committee has been made up of the following four independent directors:

- Mr. Juan Domingo Ortega Martínez (Chairman during 2008) was co-opted to the Committee on 11 December 2002 and his appointment was ratified by the shareholders in general meeting on 23 July 2003. The latest renewal of his appointment took place on 5 June 2008. Mr. Ortega has been the Chairman and CEO of the Forsala Group since 1983, which operates in the food and drink, logistics, agriculture, property and energy sectors, among others. He is also a director of Ebro Puleva, S.A.
- Mr. Juan Arena de la Mora (member in 2008 and current Chairman of the Committee) was appointed director at the Annual General Meeting held on 28 June 2007. Mr. Arena holds a doctorate in Electro-mechanical Engineering from the ICAI University, a degree in Business Administration from ICADE, a diploma in Tax Studies, a degree in Child Psychology and a degree in AMP from Harvard Business School. Mr. is a director of Grupo Ferrovial, Laboratorios Almirall, S.A. and Everis (Chairman of the Appointments and Remuneration Committee and member of the Audit Committee of Everis), Chairman of the Enterprise and Society

Foundation, Chairman of the Professional Board of ESADE and a member of the Board of Directors of Harvard Club Spain, among other positions. he was appointed CEO of Bankinter in 1993 and was Chairman of Bankinter from March 2002 to April 2007.

- Mr. José Fernando Sánchez-Junco Mans (member) was co-opted to the Committee on 11 December 2002 and his appointment was ratified by the shareholders in general meeting on 23 June 2003. The latest renewal of his appointment took place on 5 June 2008. Mr. Sánchez-Junco is an industrial engineer and a graduate in ISMP by the Harvard Business School. He is a Government Industrial Engineer and is currently the Chairman and Director General of the Maxam Group (formerly Spanish Union of Explosives). He is an independent director and Chairman of the Audit Committee of Cintra Concesiones de Infraestructuras del Transporte, S.A. He has also been Director General of Industrial Siderometalúrgicas y Navales and Director General for Industry of the Ministry of Industry and Energy.
- Mr. Juan José Sánchez Cánovas (member), was appointed director at the Annual General Meeting held on 23 June 2003. Mr. Sánchez Cánovas holds a degree in Economic and Business Science and a Masters in Banking Economics. Since 1996 he has worked as an associate professor of business administration for the Murcia region educational authorities. During 2007/2008 he was appointed professor of economics.
- Mr. Luis de Carlos Bertrán, who is not a director, is the Secretary to the Audit and Appointments Committee. Mr. de Carlos is a partner of the Uría Menéndez law firm and is also Secretary to the Company's Board of Directors.
- Mr. Fernando Calbacho Losada, who is not a director, was deputy secretary for the Committee during 2008. He is also a partner of the Uría Menéndez law firm and is deputy secretary to the Company's Board of Directors.

Mr. Juan Domingo Ortega Martínez was Chairman of the Audit and Appointments Committee during 2008, in accordance with the rotating chairmanship agreed at the Committee meeting held on 27 December 2003. The Chairman for 2009 is Mr. Juan Arena de la Mora.

Mr. Juan José Sánchez Cánovas, whose appointment as a director expired on 23 June 2008, stated that he did not wish to be re-elected to the Board of Dinamia at the Annual General Meeting held on 5 June 2008. Accordingly, since that date the number of members of the Audit and Appointments Committee has been reduced to three.

Mr. Fernando Calbacho Losada, who acted as deputy secretary to the Audit and Appointments Committee during 2008, has been replaced in 2009 by Ms. Marta Rios Estrella, a lawyer at Uría Menéndez.

III. Activities performed during 2008.

The Audit and Appointments Committee met four times during 2008:

<u>Meetings of the Audit and Appointments Committee</u>	
2008	14 February 2008
	24 April 2008
	24 July 2008
	6 November 2008

In compliance with its functions under Article 13 of the Board Regulations, the Committee has centred the objectives of its meetings on the following main activities.

- **Review of regular financial information**

As it does each year, the Committee has supervised the preparation and completeness of the quarterly, half-yearly and annual information that the Board must report to the market and send to the Spanish National Securities Market Commission (CNMV) under the reporting requirements to which Dinamia is subject as a listed company.

Prior to the information being reported to the CNMV, the Committee has revised compliance with the relevant regulations and the correct application of accounting policies in the reports, within the legally stipulated deadlines.

- **Review of the annual accounts**

In order to prevent the inclusion of qualifications in the auditors' report on the annual accounts drawn up by the Board of Directors and presented to the General Meeting, the Committee has carried out the following tasks prior to the formal signing of the accounts.

- Review the Company's accounts;
- Supervise compliance with the relevant legislation and the correct application of generally accepted accounting principles;
- Ascertain the financial information processes and internal control systems of the Management Company, and verify that they are adequate and complete; and
- Revise the regular financial information disclosed by the Board of Directors to the market and to regulators.

The Audit and Appointments Committee has issued a favourable report on the annual accounts.

In this respect, it should be noted that the audit report on Dinamia's individual annual accounts for 2008 is unqualified.

- **External audit:**

The Committee has supervised compliance with the auditors' contract and has endeavoured to assure that the opinion on the annual accounts and the main content of the audit report were drawn up clearly and accurately.

The Company also revised the fees accruing in 2008 by the Company's external auditors for both audit services and other services rendered, to assure that independence requirements are met.

- **Review of corporate governance regulations**

During 2007 the Company's internal regulations underwent a major reform. As a result of this reform, during 2008 the Audit and Appointments Committee examined the implementation of and compliance with Dinamia's new rules. In accordance with the Committee's evaluation, the Company's new regulations have been fulfilled.

As is the case each year, the Audit and Appointments Committee has supervised the fulfilment of the Internal Code of Conduct for Securities Markets and the Company's corporate governance rules during 2008. No relevant cases of non-compliance have been detected.

- **Directors' appointments and remuneration**

In accordance with Article 13.2 of the Board Regulations, the functions of the Audit and Appointments Committee include informing the Board of Directors of appointments, ratifications and departures of the members of the Board of Directors, and on their remuneration and the requirements for the correct performance of their duties.

At the meeting held on 24 April 2008, the Audit and Appointments Committee notified the Board of Directors of the wish expressed by Mr. Juan José Sánchez Cánovas that his re-election as a member of the Board of Directors should not be proposed to the shareholders at the Annual General Meeting. Therefore, the Board of Directors agreed that the number of Board members should be reduced from nine to eight.

On 21 July 2008 Mr. Jordi Conejos Sancho resigned from the post of nominee director. Subsequently, on 6 November 2008 the Audit and Appointments Committee proposed the appointment of Agrupació Mútua del Comerç i la Indústria, Mútua d'Assegurances i Reassegurances a Prima Fixa ("Agrupació Mútua") as nominee director of Dinamia. This director has been represented on the Board of Directors by its Chairman, Mr. Félix Millet Tusell, who accepted the appointment on behalf of Agrupació Mútua on 18 December 2008.

As the Company carried out a thorough reform of its internal regulations in 2007, the Audit and Appointments Committee has examined compliance with the new regulations during 2008 and does not consider it necessary to make new proposals to improve Dinamia's corporate governance rules, in relation to Articles 22.bis of the Bylaws and Article 13 of the Board Regulations.

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Madrid, 25 March 2009