(Free translation from the original in Spanish, in the event of discrepancy, the Spanish-language version prevails).

REPORT BY THE "VISCOFAN, SOCIEDAD ANÓNIMA" BOARD OF DIRECTORS REGARDING AMENDMENTS TO THE BOARD OF DIRECTORS' REMUNERATION SYSTEM AND CONSEQUENT AMENDMENTS TO ARTICLES 27 AND 30 OF THE ARTICLES OF ASSOCIATION, PROPOSED TO THE GENERAL SHAREHOLDERS' MEETING TO BE HELD ON 29 AND 30 APRIL 2013

A) AIM OF THE REPORT

This report is issued by the Board of Directors to provide information about amendments to the Articles of Association. These amendments will involve introducing a new Article 27b, following the elimination, on grounds of incompatibility, of the last paragraph of Article 27 and the third and fourth paragraphs of Article 30.1 of the current articles. This report proposes these amendments for the shareholders' approval.

The report is issued and approved by the Board of Company Directors in accordance with Article 286 of the Spanish Corporate Enterprise Act (Ley de Sociedades de Capital).

At the General Meeting held on 23 May 2012 following a second call, and within the framework of the dynamic policy of adapting to corporate governance best practice, the Board of Directors stated that, at the proposal of the Appointments and Remuneration Committee, it had appointed Spencer Stuart as external expert to review remuneration of the Board and the Company's senior management, and to make a proposal that will be presented to the 2013 General Meeting.

Following recommendations made by the external expert, the Appointments and Remuneration Committee presented a remuneration policy proposal that was approved by the Board of Directors at its meeting held on 22 March 2013 and that is submitted to this General Meeting for an advisory vote in accordance with Article 61 of the Securities Market Law (Ley del Mercado de Valores).

In order to make this remuneration policy effective, it is necessary to amend the current Articles of Association, so that they provide a suitable framework for the permanent regulation of its general aspects with regard to possible future changes to the composition of the Board, type of director, company results, legislative amendments, good governance recommendations, etc.

B) CONTENT OF PROPOSED AMENDMENTS

The current remuneration system of the Board set forth in Articles 27 and 30 of the Articles of Association maintains its original wording from 1990 and establishes a system that has proven to be transparent, effective and linked to the evolution of Company results. It has been approved by an advisory vote by Company shareholders at every General Meeting to which it has been submitted from 2008 to the last General Meeting held on 23 May 2012.

However, the general evolution seen by remuneration systems and their regulation, control, transparency, adaptation and information processes, now make it appropriate to review this system in order to adapt it to good governance best practice.

As a result, following analysis of the report by Spencer Stuart, taking into account the remuneration policy approved by the Board at the proposal of the Appointments and Remuneration Committee, a need to amend the Articles of Association emerges, in order that that they may also be adapted to best practice.

For this reason, the Board of Directors proposes to shareholders the elimination of those current paragraphs of Articles 27 and 30 that concern remuneration of the Board and Executive Committee, which is indexed to the annual financial results, and their replacement by one system for the entire Board of Directors. It will establish different types of remuneration for executive directors and will pay external directors in accordance with their dedication, qualifications and the degree of responsibility pertaining to their roles on the Board and various committees, without compromising their independence, also including the possibility of non-pay rewards, approved in advance by the General Shareholders' Meeting when necessary. A limitation to the amount of remuneration will also be established, guaranteeing that remuneration is proportional.

To these effects, the Board of Directors of VISCOFAN S.A. proposes the following to the General Meeting:

1.- The elimination of the fourth and final paragraph of Article 27 of the Articles of Association, which has the following content:

> *"Board remuneration shall consist of 1.5% of net earnings before taxes, subject to the requirements set forth in Articles 217 and 218 of the Corporate Enterprises Act (Ley de Sociedades de Capital). The distribution of this percentage among the members of the Board shall be carried out pursuant to the resolution in this respect adopted by the Board of Directors in each case."*

2- The elimination of the third and fourth paragraphs of Article 30.1 of the Articles of Association, which have the following content:

> *"The Executive Committee's remuneration will consist of one point five (1.5) per cent of net earnings before taxes, subject to the limits set forth in Articles 217 and 218 of the Capital Companies Act.*
>
> *The distribution of this percentage among the members of the Committee will be carried out pursuant to the resolution adopted by the Committee in each case.*"

3.- The introduction of a new Article 27b to the Articles of Association with the following content:

> "*Article 27b: The Directors will receive remuneration according to the exercise of their duties, which may vary in each individual case in accordance with their responsibilities and committee membership, and may include insurance and pensions. They may also receive sums accrued by attending meetings of the Board of Directors and their Committees.*
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> *In addition, directors may be remunerated through the delivery of shares, recognition of stock options, or remuneration indexed to the value of shares. The application of these methods of remuneration will require approval by the General Meeting which will express, when applicable, the number of shares to be delivered, the price of exercising*

stock options, the value of shares used as a reference and the time period for this remuneration system, which will have retroactive effect at the start of the relevant financial year.

The Board of Directors will agree on the distribution of remuneration among Directors.

The annual sum of remuneration to Directors, for all items, will not exceed the limit of 1.5% of annual net earnings before tax, without prejudice to other applicable legal limitations. For these purposes, where applicable, the premium or equivalent value of stock options or future entitlements conceded by the Directors, valued at the time of their delivery, will be calculated.

Remuneration related to the performance of work or professional duties in the Company that are different from those performed as board members will be considered to be independent from the remuneration system stated herein and will not be calculated for the purposes of the established limit.

The Company will contract civil responsibility insurance for Directors and senior management."

C) APPROVAL OF THE REPORT

This report was issued and unanimously approved by the Board of Directors at the meeting held on 22 March 2013.

Tajonar, 22 March 2013