

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF VISCOFAN, SOCIEDAD ANÓNIMA TO BE PUT TO THE COMPANY'S SHAREHOLDERS AT THE GENERAL SHAREHOLDERS MEETING THAT IS TO BE HELD AT FIRST CALL ON 23 APRIL 2020 AND AT SECOND CALL ON 24 APRIL 2020**

**POINTS REGARDING ANNUAL ACCOUNTS AND CORPORATE MANAGEMENT:**

**One.-** Examination and approval of the individual statement of financial position (balance sheet, income statement, statement of changes in shareholder equity, cash flow statement and explanatory report) of Viscofan, S.A., as well as the consolidated statement of financial position of its subsidiary companies (balance sheet, income statement, consolidated change in shareholder equity statement, cash flow statement and explanatory report), all for the year ended 31 December 2019.

Approve the Balance Sheet, Income Statement, Statement of Changes in Shareholder Equity, the Cash Flow Statement and the Explanatory Report of Viscofan S.A., as well as the Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Global Earnings, Consolidated Change in Shareholder Equity Statement, Consolidated Cash Flow Statement and the Explanatory Report of the companies for which said company is the parent company, all for the year ended 31 December 2019.

**Two.-** Examination and approval, if applicable, of the individual management report of Viscofan S.A. and the consolidated management report of its subsidiary companies, including the non-financial information statement, corresponding to the year ended on 31 December 2019.

Approve the individual management report of Viscofan S.A. and the consolidated management report of its subsidiary companies, including the non-financial information statement, corresponding to the year ended on 31 December 2019.

**Three. -** Examination and approval, if applicable, of the corporate management of the Board of Directors, corresponding to the year ended on 31 December 2019.

Approve the corporate management by the board of directors of Viscofan S.A. and of the Group of companies coming under this parent company, for the financial year of 2019.

**POINT REGARDING SHAREHOLDER REMUNERATION:**

**Four. -** Examination and approval, if applicable, of the proposal to distribute the earnings of 2019, including the distribution of a supplementary dividend of 0.96 euros per share.

Earmark for dividends with a charge to profits for 2019 the amount of 74,623,500 Euros and to voluntary reserves the amount of 30,838,295.53 Euros. Therefore, it is proposed to distribute a supplementary dividend of 0.96 Euros per share, representing a total amount of 44,496,000 Euros, which will be paid on 4 June 2020. The date on which the registered holders entitled to receive the dividend (record date) will be 3 June 2020. The date from which the shares will be traded without the right to receive the dividend (ex date) is 2 June 2020.

Taking into account the dividend shared out on account on 19 December 2019, which was 0.65 Euros per share, representing a total figure of 30,127,500 Euros, and the premium for attendance at the General Shareholders' Meeting of 0.01 Euros per share, the proposed total remuneration per share of 1.62 Euros, which gives a total of 75,087,000 Euros.

#### **POINT CONCERNING THE RE-ELECTION OF THE EXTERNAL AUDITOR:**

##### **Five.- Re-election of PricewaterhouseCoopers Auditores, S.L. as auditor of Viscofan S.A. and its consolidated Group for 2020**

Re-elect as auditors of Viscofan, Sociedad Anónima and its consolidated group PricewaterhouseCoopers Auditores S.L., which will audit the accounts for the 2020 financial year. To this end, the Board of Directors is empowered to enter into the corresponding contract with the aforementioned firm, with the clauses and conditions it deems appropriate, and is also empowered to make the relevant amendments to it, in accordance with the legislation in force at any given time. The Board of Directors is especially authorised to delegate this power to the director(s) it appoints.

In compliance with the provisions of article 529 *quaterdecies*.4. d) of the Corporate Enterprises Act, it is adopted at the proposal of the Board of Directors, which has endorsed the proposal presented by the Audit Committee for submission to the General Shareholders' Meeting.

It is noted that PricewaterhouseCoopers Auditores, S.L., has Company Tax ID No. (C.I.F.) B-79031290 and its registered office in Madrid, Paseo de la Castellana, nº 259 B, 28046 Madrid. It is registered in the Madrid Companies Register, sheet 87,250-1, folio 75, volume 9,267, book 8,054, section 3, and in the Official Register of Auditors under number S0242.

#### **POINTS REGARDING THE COMPOSITION OF THE BOARD OF DIRECTORS:**

##### **Six. - Setting the number of directors on the Board of Directors at eleven (11).**

In accordance with the provisions of Article 25 of the Articles of Association, which provides that the Board of Directors shall consist of a minimum of five and a maximum of twelve members, and Article 242.1 of the Corporate Enterprises Act, which provides that the General Meeting shall determine the number of members of the Board of Directors, the number of members of the Board of Directors is increased by one (1) and fixed at eleven (11).

##### **Seven. - Appointment as director of Viscofan Sociedad Anónima of Ms Carmen de Pablo Redondo, as independent external director for the statutory period of four years.**

To appoint Ms Carmen de Pablo Redondo as director for the statutory period of four years. The appointment of the director, as independent external director, is submitted by the Board of Directors to the General Shareholders' Meeting after a proposal from the Remuneration and Appointments Committee.

**Eight. - Re-election as director of Viscofan Sociedad Anónima of Mr Ignacio Marco-Gardoqui Ibáñez, as independent external director for the statutory period of four years.**

To re-elect Mr Ignacio Marco-Gardoqui Ibáñez as director for the statutory period of four years. The re-election of the director, as independent director, is submitted by the Board of Directors to the General Shareholders' Meeting after a proposal from the Remuneration and Appointments Committee.

**Nine. - Re-election as director of Viscofan Sociedad Anónima of Mr Santiago Domecq Bohórquez, as external proprietary director, for the statutory period of four years.**

To re-elect Mr Santiago Domecq Bohórquez, as director for the statutory period of four years. The re-election of the director, holding the non-executive position of proprietary director, is submitted by the Board of Directors to the General Shareholders' Meeting after a favourable report from the Remuneration and Appointments Committee.

## **POINT REGARDING LONG-TERM REMUNERATION**

**Ten. Approval of a multi-year incentive for the Company's executive directors, Executive Chairman and Managing Director, for the period 2019 to 2021, to be paid in cash and through the delivery of Company shares. Delegation of powers to the Board of Directors so it can develop and implement resolutions.**

To approve for the Company's executive directors, Executive Chairman and Chief Executive Officer, a Long-Term Incentive Plan for the period 2019-2021 (hereinafter the "Plan") in compliance with the provisions of Article 219 of the Corporate Enterprises Act and Article 29.2 of the Articles of Association of Viscofan S.A.

The Plan for the directors is approved with the same basic features as those that were approved and communicated by the Board of Directors on 30 July 2019 for all the beneficiaries of the Plan (Relevant Event with registration number 280891) and which are transcribed below.

### ***"Objective and description of the Plan***

**Objective.** - *The Plan has been put in place to reinforce the commitment of the key management team and the alignment with the creation of value for shareholders in the period comprising 1 January 2019 to 31 December 2021. ("Measurement Period").*

**Description of the Plan.** - *The Plan consists of an extraordinary, multi-year and mixed incentive, payable in cash and in Company shares, in the percentages assigned according to the professional level of the beneficiary, which may arise after the application of certain factors, based on the degree of attainment of certain targets, (i) the payment of a cash amount (ii) on the basis of an initial number of assigned shares, to the effective payment of shares in Viscofan S.A. on the scheduled payment date.*

### **Beneficiaries**

*The Plan is intended for people who, due to their level of responsibility or their position within the Viscofan Group, decisively contribute to the attainment of the Company's targets. Specifically, the beneficiaries are:*

- (i) The Company's executive directors: the Company's Executive Chairman and the Managing Director.*
- (ii) senior executives of the Company and subsidiaries,*
- (iii) other directors and employees of Viscofan S.A. and subsidiaries.*

*It has been estimated that the Bonus will have around 140 beneficiaries, notwithstanding the possibility that new beneficiaries may be included in the authorised limits during the measurement period as a result of new hires or changes the maximum authorised limit in both cash and shares.*

### **Duration.**

*The Plan has a measurement period of three years, from 1 January 2019 to 31 December 2021.*

*The Plan will be due and paid within one month of the approval by the Company's General Shareholders' Meeting of the financial statements for 2021 ("Settlement Date"), i.e. within the first half of 2022. Beneficiaries who voluntarily withdraw before the Settlement Date will lose all rights arising from it.*

### **Limits and origin of the shares**

*The Plan has the following limits:*

- With regard to the part to be paid in cash, the Plan anticipates a maximum cost or payment of 11.5 million euros in the event of 100% attainment of the Target, and 13 million euros if the Target is exceeded.*
- With regard to the part to be paid in shares, the Plan provides for a maximum of 175,000 shares for all beneficiaries if the Target is achieved and 230,000 shares if the Target is exceeded.*

*The amounts and maximum number of shares for executive directors, which are submitted to the General Meeting for approval, are as follows:*

- For the Executive Chairman a maximum of €374,850 and 17,853 shares for achieving the Target (€449,820 and 21,424 shares if the Target is exceeded).*
- For the Managing Director of the Viscofan Group a maximum of €288,540 and 13,742 shares for achieving the Target (€346,248 and 16,491 shares if the Target is exceeded).*
- 

*All of the shares to be paid from the Plan will come from the Company's treasury stock. No minimum value of the assigned shares is guaranteed.*

### **Parameters and magnitudes of the Plan.**

We propose paying an incentive based on the following parameters in the Measurement Period:

1. *Total Shareholder Return (Weighting ratio = 0.8)*

We propose that the Total Shareholder Return ("TSR") that measures the return on investment for the shareholder as a sum of the variation in the share price in the Measurement Period plus dividends and other similar items received during this period are used as an essential criterion or parameter of the Plan.

Initial reference is taken to the average price of the share in December 2018, (48.99 euros per share). For the calculation of the development of the ATR at the end of the period shall also be considered as the average share price in December 2021. In accordance with these reference values, a minimum level of compliance is established from which the Plan begins to receive 4% of the Annual Rate of Joint Growth (ARJG) and is extended to 120% of the weighting ratio if the ATR has a total increase in the Measurement Period of 11% CAGR ("Maximum ATR overage").

2. *Accident rate reduction (Weighting ratio: = 0.1)*

To achieve a greater level of awareness, monitoring and alignment of the management team with occupational health and safety, the improvement of the accident rate is established as a long-term non-financial indicator, understood as the reduction in the ratio of lost work hours as a consequence of accidents with leave versus the total theoretical hours of work in the Measurement Period. The starting point is set at the 2018 figure of 0.38%, a minimum reduction of the indicator's average of 3% is proposed and an increase for the weighting ratio of up to 100% if this indicator is reduced by an average of 7% in the Measurement Period.

3. *Environmental sustainability (Weighting ratio: = 0.1)*

With the aim of promoting the development of the circular economy and reducing the environmental impact of productive activity, we propose using a new indicator that relates to the ratio of tonnes of waste managed in the landfill for every million metres extruded. From the figure of 1.27 it is proposed to reduce the indicator by a minimum of 4 percentage points and to increase the weighting ratio up to 100% if the indicator is reduced to 10 percentage points in the measurement period.

### **Measurement of the performance and modifications of the Bonus:**

As a condition for the payment of the Bonus, following a report from the Appointments and Remuneration Committee, the Viscofan Board of Directors has ratified the degree of compliance with the parameters and magnitudes thereof.

In accordance with the director Remuneration Policy, the executive Directors who are beneficiaries of the Plan may not transfer the shares that are paid for a period of three years, unless they directly or indirectly hold a number of shares equivalent to twice their fixed annual remuneration.

*The provisions of the current Director Remuneration policy will also apply to the ex post control of variable remuneration ("Clawback").*

*Without prejudice and with regard to the competence of the General Shareholders' Meeting in the case of executive directors, the Board of Directors shall proceed with the implementation of the Plan for its full effects setting forth the terms and conditions thereof in all matters not provided for in this Agreement.*

### **Implementation of the Plan**

*Without prejudice and with regard to the competence of the General Shareholders' Meeting in the case of executive directors, the Board of Directors shall proceed with the implementation of the Plan for its full effects setting forth the terms and conditions thereof in all matters not provided for in this Agreement".*

Consequently, it is agreed to delegate to the Board of Directors, with general powers of substitution, the necessary powers to implement, develop, formalise, execute and settle the Plan, adopting as many agreements and signing as many documents, public or private, as may be necessary or appropriate for its full effect, with the power to even correct, rectify, modify or complement this agreement. In particular, and by way of example only, the following powers are delegated to the Board of Directors, with general powers of substitution:

- (a) To designate the beneficiaries of the Plan, either at the time of its establishment or subsequently, and to determine their allocations of "theoretical shares", as well as to revoke, where appropriate, the designations and allocations previously made.
- (b) To set the terms and conditions of the Plan in all matters not provided for in this agreement, within the framework of the contracts in force with the executive directors, senior managers and other beneficiaries.
- (c) To formalise and implement the Plan in the manner it considers appropriate, carrying out all the necessary actions for its proper execution.
- (d) Draft, sign and submit any communications and documents, public or private, that may be necessary or appropriate before any public or private body for the implementation and execution of the Plan.
- (e) Carry out any action, declaration or procedure before any public or private body, entity or registry to obtain any authorisation or verification necessary for the implementation and execution of the Plan.
- (f) To designate, where appropriate, the bank or banks that should provide their services to the Company in relation to the formalisation and administration of the Plan and to negotiate, agree and sign the corresponding contracts with the bank or banks selected in this manner, as well as those other contracts or agreements that are appropriate with any other entities and, if applicable, with the beneficiaries, for the implementation and execution of the Plan, under the terms and conditions it deems appropriate.
- (g) Evaluate the level of performance in relation to the parameters to which the Plan is linked and proceed to its settlement.
- (h) In general, to carry out as many actions and sign as many documents as necessary or appropriate for the validity, effectiveness, implementation, development, execution, settlement and success of the Plan. The Board of Directors is expressly authorised to delegate, under the provisions of Article 249.2 of the Corporate Enterprises Act, the powers referred to in this resolution.



**POINT REGARDING GENERAL AFFAIRS:**

**Eleven.** - Delegation of powers to formalise and execute all the resolutions adopted by the General Shareholders' Meeting so they can be recorded in public documents and for their interpretation, correction, application, supplementation or development until the required inscriptions are obtained.

Notwithstanding the aforementioned delegations, the Board of Directors is delegated, with express powers to replace any of its members, the powers required to correct, develop and execute, at the time it deems appropriate, each of the resolutions adopted by the General Shareholders' Meeting.

Likewise, the Board of Directors is empowered to determine all other circumstances that may be necessary in relation to them, adopting and executing the necessary resolutions, publishing the announcements and providing the guarantees that are relevant for the purposes provided for by Law, as well as formalising the necessary documents and complying with any procedures that may be appropriate, proceeding to comply with any requirements that may be necessary in accordance with the Law for the fullest implementation of what has been agreed by the General Shareholders' Meeting.

Additionally, it is agreed to empower José Domingo de Ampuero y Osma and José Antonio Canales García so that, jointly and without distinction, they may convert the resolutions that are adopted into public documents, as they consider necessary, and complete the procedures for depositing the accounts and applying for registration as provided in Law. They are authorised to take the necessary steps to have these recorded at the Trade Registry and any other authority, registry or body where this is required or advisable, and to carry out the necessary procedures in relation to these with respect to the National Securities Market Commission and Stock Exchange Governing Bodies, with powers of amendment, if necessary.

**POINT REGARDING SUBMISSION TO A VOTE IN AN ADVISORY CAPACITY:**

**Twelve.** - Voting in an advisory capacity on the annual report on Directors' remuneration corresponding to financial year 2019 of Viscofan S.A..

Voting, in an advisory capacity, on the Annual Report on Directors' Remuneration for 2019, the full text of which was made available to shareholders along with the rest of the documentation relating to the General Shareholders' Meeting from the date of its call.

In Tajonar (Navarre), 27 February 2020.