

Framework report drawn up by the Board of Directors of "Viscofan, S.A." on the points relating to the composition of the Board of Directors: setting the number of directors at 11, appointment and re-election of directors under items six, seven, eight and nine on the agenda of the 2020 General Meeting

This framework report was prepared and approved by the Board of Directors of Viscofan, S.A. ("Viscofan" or the "Company") in the meeting held on 27 February 2020 as set forth in Article 529 decies of the Corporate Enterprises Act, regarding:

- setting the number of directors on the Board of Directors at eleven.
- the Proposal for appointment as director of Ms Carmen de Pablo Redondo, as an independent director.
- the proposed re-election of Mr Ignacio Marco-Gardoqui Ibáñez as a director, as independent director.
- the proposed re-election of Mr Santiago Domecq Bohórquez as a director, as proprietary director.

As set forth in Article 529 decies.5 of the Corporate Enterprises Act, Article 8 of the Board of Directors Regulations, the proposal for appointment or re-election of a director must always be accompanied by a reasoned report from the Board of Directors, which assesses the competency, experience and merits of the proposed candidate.

The proposals for re-election are submitted to the General Shareholders' Meeting at the proposal of Viscofan's Appointments and Remuneration Committee (the "Committee") for the appointment or re-election of independent directors and following a favourable report from said Committee for the re-election of the proprietary director, approved at its meeting on 20 January 2020, in accordance with the provisions of Article 529 decies. 6 of the Corporate Enterprises Act, Article 16 of the Board of Directors Regulations and Article 6 of the Board of Directors Regulations.

Notwithstanding the above and in accordance with the provisions established in the Viscofan Directors Screening Policy, a prior analysis of Board of Director's needs has been undertaken, which is submitted to the shareholders as part of the information of the General Shareholders' Meeting to which the agreement proposals are submitted.

For these purposes, the Board of Directors takes responsibility for the report issued by the Committee, which includes the following sections in summarised form:

- Increase in the number of members of the Board of Directors and appointment of a new independent non-executive director with knowledge and experience in finance, accounting and auditing.
- Verification of the availability and commitment of the candidates with the functions of their positions and that they are neither directly or indirectly affected by any incompatibilities, prohibitions or conflict of interests with the corporate interest set forth in the general and company regulations that apply to them.

- Referral, with regards to the suitability of the candidates proposed, to the individual supporting documents for the appointment and re-election of

Attached as annex of this framework report of the Board of Directors is the report issued by the Committee, which is accepted in its entirety.

ANNEX

Framework report prepared by the Appointments and Remuneration Committee of "Viscofan, S.A." regarding the increase in the number of members of the Board of Directors and the appointment and re-election of directors

The Appointments and Remunerations Committee (the "**Committee**") of Viscofan S.A. ("**Viscofan**" or the "**Company**"), in pursuance of its powers relating to:

- (i) periodically reviewing the structure of the Board of Directors and advise it on the most suitable configuration in terms of size and balance between the different types of directors.
- (ii) submitting to the Board of Directors proposals relating to the appointment or re-election of independent board members and report on the appointment or re-election of the remaining directors,
- (iii) favouring the diversity of the members of the Board of Directors in terms of, among other things, gender, professional experience, personal competence and skills, as well as sector knowledge and international experience,

In accordance with these powers, the Committee has prepared this report for the consideration of the Board of Directors. In addition to the provisions of current legislation, the Company's internal regulations and the Policy for the Selection of Directors of the Company have been followed. The Committee has been advised by an external consultant specialised in the field.

In preparing this framework report and the individual reports, the Committee has taken into consideration, among other things, the following aspects:

- (i) the composition and structure of the Company's Board of Directors.
- (ii) the updated analysis of the matrix of powers of the Board of Directors.
- (iii) diversity on the Board, both in terms of the least represented gender and in terms of the skills and professional experience required in response to point (ii) above.
- (iv) that the candidates guarantee the dedication required to carry out their duties beyond the objective requirements of membership of other Boards established by internal regulations.
- (v) facilitating the continuity of the Company's business project.
- (vi) for re-election proposals, the evaluation of the performance of the directors during their time in the position.

The following aspects are worth mentioning:

1. Increase in the number of members of the Board of Directors and appointment of a new independent non-executive director with knowledge and experience in finance, accounting and auditing.

Following the evaluation process of the Board and the Committees for 2018, the Committee has reached the conclusion that it is appropriate to submit to the governing bodies the increase in the number of directors from 10 to 11, through the incorporation of a new independent non-executive director with competence and experience in finance, accounting and auditing.

The process of growth and insourcing of the Viscofan Group, both organic and inorganic, justifies the increase in the number of directors, it being suitable to reinforce and coordinate the financial control and risks for such an expansion; for this reason the new director is also proposed as a member of the Audit Committee, where the number of members would be increased from 5 to 6. The increase in the number of members of the Board of Directors to 11 is within the limits established in the Articles of Association (Article 25, which sets the maximum number of members of the Board of Directors at 12) and is a number of directors in line with that of other companies comparable to Viscofan; likewise, in accordance with the Board of Directors Regulations and the Audit Committee Regulations (Articles 15 and 12 respectively) the Committee will be made up of a minimum of 3 and a maximum of 6 members.

In addition, in particular and in accordance with the Policy on Selection of Directors and the diversity objectives, it was considered appropriate to identify female candidates, as this is the least represented gender on the Board.

With regards to the selection process, notwithstanding the encouragement for directors to exercise their power to propose candidates, as indicated above, external consultants who are experts in the field have provided their support, and the final proposed candidate has not been nominated by any of the executive or proprietary directors or major shareholders.

The candidate proposed by the Committee to fill the new position of director as well as, if appointed, as a member of the Audit Committee, is Ms Carmen de Pablo Redondo. The individual report justifying his/her appointment is included with this framework report.

2. Re-election of directors whose term expires in 2020

The term of the two directors of the Company ends in 2020, specifically that of Mr Ignacio Marco-Gardoqui Ibáñez, independent non-executive director, Vice-Chairman of the Board of Directors and Chairman of the Audit Committee, and that of Mr Santiago Domecq Bohórquez, non-executive proprietary director and member of the Audit Committee.

As mentioned above, in preparing its proposal and report, the Committee has taken into account, among other things, the analysis of the Board of Directors' own matrix of powers, that the candidates guarantee the necessary dedication to carry out their duties, the continuity of the business project, beyond the MORE TO BE 2016-2020

strategic plan, or the directors' own performance evaluation during the time in their positions.

Considering the above aspects, the Committee considers it appropriate, beyond incorporating a new director under the terms indicated in section 1 of this framework report, to propose the re-election of Mr Ignacio Marco-Gardoqui Ibáñez as an independent non-executive director and provide a favourable report for the re-election of Mr Santiago Domecq Bohórquez, a proprietary non-executive director.