

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

REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF "VISCOFAN, SOCIEDAD ANÓNIMA" ON THE BOARD PROPOSAL FOR THE RE-ELECTION OF ÁGATHA ECHEVARRÍA CANALES FOR THE 2018 GENERAL SHAREHOLDERS' MEETING

The Appointments and Remuneration Committee, in compliance with its mission to propose to the Board of Directors the appointment or re-election of independent Directors and to report on the appointment or re-election of the remaining Directors, as set out in article 529n of the Corporate Enterprises Act, as well as in article 30 of the Bylaws and articles 8 and 14 of the Regulations of the Company's Board of Directors, prepares this report for submission to the Board of Directors.

At the date scheduled for the General Shareholders' Meeting in which the financial statements for the year ended 31 December 2017 are submitted for approval, more than four years will have elapsed since the date on which Ágatha Echevarría Canales was appointed to the Board.

This circumstance coincides with the expiry of the term of five other Directors of the company, which leads to six vacancies out of a total of ten Directors on the Board of Directors.

Taking into account the Directors' Selection Policy and the recommendations of good corporate governance, the Committee has reviewed the composition and structure of the Company's Board of Directors and has analysed its needs to determine the skills, professional experience and knowledge, including sector-related knowledge, that the candidates who fill such vacancies should have.

The Committee has taken into account the recommendations regarding the knowledge and experience required by the various Board committees, including in the areas of accounting, auditing and risk management and information technology (IT), as well as technical knowledge in relation to the Company's sector and activity. The Committee has also considered diversity, and in particular gender diversity, in order to achieve the objective of representation of the under-represented.

Among the candidates who fit the profile, the Committee has also considered that they should guarantee the time and dedication required to carry out their duties beyond the objective requirements of membership of other Boards established by internal regulations.

In light of the conclusions of this analysis, the Committee has opened a selection process for candidates in accordance with the principles of equality, transparency and legality.

In addition, as part of the selection process, the Committee has analysed the possibilities for re-election of the Directors whose term of office is expiring.

Ágatha Echevarría Canales has a law degree and is a graduate in Business Administration from the Universidad Pontificia de Comillas (ICADE). She has broad professional experience in mergers and acquisitions, auditing and accounting, acquired in a number of multi-nationals, such as the audit firm Touche & Ross, S.A., British Petroleum España, S.A. and the investment bank Charterhouse Limited in which she was Managing Director and Director of its Spanish subsidiary and founder and director of D+A Documentación y Análisis, S.A. She was a member of the Viscofan Audit Committee from 2003 to 2014, which allowed her to gain a deeper understanding of the specific financial aspects of the Viscofan business. Within this Committee, Ágatha Echevarría promoted risk analysis and control processes in the organisation, and contributed to the consolidation of the internal audit, supervised the implementation of the internal control system for financial information and the compliance system, among others.

She is currently a Director of Papelera de Zicuñaga, S.A., Second Vice-Chairwoman of Viscofan and has been a member of the Executive Committee since February 2009.

From her position on the Board and on the Executive Committee, Ágatha Echevarría actively participates in preparing reports for the Board, analysing various possibilities for organic and inorganic growth, designing the Viscofan Group's corporate structure, studying new investments in technological improvements and conducting fieldwork by travelling to all the Group's plants and holding meetings with all the Directors and a large part of the employees aiming to understand, report and transfer to the Board detailed information on the activity.

Her participation in Board meetings, her independence of criteria, the exhaustive preparation of the information provided for the matters to be dealt with in each case, her objectivity, monitoring the issues that have the greatest influence on the Company and its Group of companies and her contribution to them have been highly valued in the evaluations carried out during the years of her mandate. Her long experience and extensive dedication, as well as her active participation in preparing and monitoring the Group's strategies, mean that she has an in-depth knowledge of the activities and needs of the Company and her contribution is fundamental in all aspects.

For all these reasons, this Committee reports favourably on the Board of Directors' proposal to the General Shareholders' Meeting of Viscofan, S.A. to re-elect Ágatha Echevarría Canales as a Director, with the qualification of "other external Directors", as the maximum term of twelve years set by the regulations in force for independent Directors has elapsed.

This report was adopted unanimously by the Committee members on 22 March 2018.