

(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 RE-ELECTION OF JOSÉ ANTONIO CANALES  
GARCIA 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.

On the date scheduled for the General Shareholders' Meeting at 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 José Antonio Canales García 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 policy for selecting Company Directors 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.

José Antonio Canales García has a degree in Economics and Business Studies from Deusto Business School. He completed an advanced course of studies in International Transport & Distribution at the London School of Foreign Trade. He joined in 1996 as General Manager of Viscofan do Brazil, leading the expansion of Viscofan Group in South America until his appointment in 2006 as General Manager of the Group, a position which he continues to hold to this day. During this period, he acquired a great knowledge of the casing business, Viscofan's main activity, and experience in international industrial expansion projects, all combined with a global vision of the sector.

He is currently a Director of Maxam Corporation Holding, S.L., the parent company of an industrial group with more than 140 companies on five continents and manufacturing facilities in more than 45 countries, and has been an executive Director of Viscofan, S.A. since 2014.

From his position as General Manager, José Antonio Canales García has become a key contributor to reinforce Viscofan leadership worldwide and its international expansion, achieving historical financial results, and creating value for shareholders. José Antonio Canales García has led the implementation of the strategic plans Be One, Be More, and currently MORE TO BE, undertaking record levels of investment in technology, the environment and new product development, including the launch of the manufacture of new fibrous and cellulose technology casings in Cáseda; in addition to expanding the Group's international strategy, which has enabled Viscofan, among other achievements, to become the first foreign manufacturer to produce casings in China and simultaneously begin construction of the first collagen casings plant in South America; complete the acquisition of nine companies in Europe and North America, consolidating the supply of high value-added plastic casings and films, improving shareholder remuneration. In short, to make Viscofan a leading Group ready to face the challenges of the future in an increasingly competitive, regulated, demanding and global environment.

His knowledge of Viscofan's sector of activity, both at a global and detailed level, as well as his experience in the Group's strategic international expansion, make José Antonio Canales a key figure in designing and undertaking the projects that the Board decides to conduct with the best criteria to guarantee its success.

For all these reasons, this Committee reports favourably on the Board of Directors' proposal to re-elect José Antonio Canales García as an executive Director at the General Shareholders' Meeting of Viscofan, S.A.

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