

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

**REPORT RELATING TO THE PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF "VISCOFAN, SOCIEDAD ANÓNIMA" ON THE RE-ELECTION OF JOSÉ MARÍA ALDECOA SAGASTASOLOA 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 proposal 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 María Aldecoa Sagastasoloa 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.

José María Aldecoa Sagastasoloa graduated in Technical Electronic Engineering from the Polytechnic School of Mondragón. He completed the Executive Management Programme at IESE. Throughout his long professional career, he has held various posts at COPRECI (1971-1982). He was Managing Director of Fagor Electrónica and a member of the Board of Directors of Fagor, S. Coop. (1982 - 1991). Between 1984 and 1991, he was Vice-Chairman of ANIEL (National Association of Electronic Industries) and Chairman of the Components Board. He was also a member of the Board of Directors of the European Electronic Components Association (EECA) from 1986 to 1991 and held various positions at Mondragón Corporación from 1992 to 2012 until 2007, when he was appointed President of the General Council, a position he held until July 2012. He has held the position of Director of several component and automotive companies (Copreci-Czech Republic, Copreci-Mexico, Vitorio Luzuriaga, Fagor Ederlan-Brazil, Paranoa-Cicautxo-Brazil, FPK, Fagor Ederlan Slovakia), and was a member (1992 - 2006) and Chairman (2007-2012) of Mondragón Inversiones. He was an independent Director and member of the Delegated Committee of Gamesa Corporación Tecnológica, S.A. He was also the Chairman of the Engineering Faculty of the University of Mondragón (1998-2002). He has broad knowledge and a wealth of experience in international industrial group management, especially in Asia, including the creation of Fagor Electrónica in Hong Kong, the integration of the production plants of Orkli, Orbea, Mondragón Automoción in the industrial park of Kunshan, China and the opening of the industrial park of Pune in India.

As a member of Viscofan's Board of Directors since 2012, Mr. José María Aldecoa Sagastasoloa's industrial experience in Asia has been a fundamental contribution to the Group's implementation and expansion in China and, in general, in the Asian environment. As Lead Independent Director since 2014, he has coordinated the Chairman's succession plan with the Appointments and Remuneration Committee and has held regular meetings to ensure that the concerns of non-executive Directors, who constitute the majority, are taken into account in the Board's deliberations. José María Aldecoa Sagastasoloa is also a member of the Audit Committee, contributing significantly, in addition to other functions, to the development of supervisory and control measures in all areas of the Group.

José María Aldecoa has maintained an active position, making his contribution to the functions of the Board and its committees essential through his strategic vision and independent approach based on his long industrial experience, which he has been able to contribute and adapt to the Group in the most appropriate way at all times and which will continue to be essential in view of the prospects for the foreseeable development of the population, protein consumption and growth of the meat products market in Asia. The results of his annual appraisal were extremely positive and he is a highly-valued member

of the Board both for his work as a Director and in his role as Lead Independent Director and member of the Audit Committee.

Therefore, this Committee proposes to the Board of Directors the re-election Mr. José María Aldecoa Sagastasoloa as an independent Director by the Company's General Shareholders' Meeting called for 24 and 25 May 2018.

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