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VISCOFAN REPORT ON ACTIVITIES OF THE 2018 APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee has prepared this report for the Company's General Shareholders' Meeting in accordance with the recommendations of the Code of Good Governance of Listed Companies.

The Committee is made up of four Directors, all of whom are non-executive and two of whom are independent. The Chairman is one of the independent Directors and the other is the Coordinating Director, while the Secretary is also the Secretary of the Board of Directors.

The Committee met on 9 occasions during 2018 and, whenever considered appropriate, the presence of Executive Directors and senior management members was requested.

It is important to note that, as mentioned, the Coordinating Director has also been present since the last General Shareholders' Meeting was held.

The Committee has fulfilled all its functions, both by regulation and by those set out in the Company's Bylaws and the Regulations of the Board of Directors, and has carried out actions related to the recommendations for compliance with the principles of good corporate governance.

The Committee has reviewed the classification of the Directors. It has also reviewed the questionnaire to all the Directors regarding conflicts of interest. Moreover, an assessment has been conducted on the Board of Directors and its Committees, as well as on the Executive Director, in presence of the Coordinating Director, as required.

As regards remuneration, the Committee has worked on the new remuneration policy for Directors along with the external consultancy firm Willis Towers Watson, which was approved at the General Shareholders' Meeting held on 25 May 2018.

It has established the individual remuneration per Director and drawn up the Remunerations Report for 2017, which the Board of Directors submitted to the General Shareholders' Meeting in 2018 for an advisory vote.

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The Committee has also proposed the remuneration policy for senior management and its application, including its proposal for annual variable remuneration.

The succession plan of the Chairman, CEO and Senior Management has been revised.

It has reported to the Committee for work-life balance of employees of the Viscofan Group.

It has analysed the composition of the Board, its size, the representation of the least represented gender, its competencies, knowledge and experience.

Finally, the Committee has informed the Board of Directors of all its activities, delivering the minutes of its meetings to all the Directors.

This report was approved by the Appointments and Remuneration Committee on 19 December 2018.