



DIRECTOR
SELECTION AND DIVERSITY POLICY
OF THE BOARD OF DIRECTORS

(Text approved by resolution of the Board
of Directors of 17 December 2020)

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

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DIRECTOR SELECTION AND DIVERSITY POLICY OF THE BOARD OF DIRECTORS

1- INTRODUCTION

The structure and composition of the Board of Directors is a key element for the good corporate governance of Viscofan S.A. (hereinafter "Viscofan" or the "Company"), insofar as it affects its effectiveness and influences the quality of its decisions and its ability to effectively pursue the corporate interest, as established in the Code of Good Governance approved by the Spanish National Securities Market Commission (hereinafter the "CNMV").

Likewise, the diversity of the members that form part of the Board of Directors at any given time constitutes one of the fundamental aspects to be taken into account for the adequate development of its functions. The requirement for specific expertise for the various Board committees has reinforced the need to ensure such diversity from the initial stage of selection of potential candidates.

To this end, in accordance with the principles of good corporate governance and following the reform of the Code of Good Governance by the Spanish National Securities Market Commission (CNMV), this policy for the director selection and diversity -public, specific and verifiable- has been drawn up and updated in order to ensure that proposals for the appointment or re-election of directors are based on a prior analysis of the skills required by the Board of Directors and to encourage the diversity of knowledge, experience, age and gender required on the Board at all times, taking into account the vacancies to be covered and the structure and composition of the Board.

2- SELECTION PROCESS. COLLABORATION OF EXTERNAL ADVISORS

The Board of Directors and the Appointments, Remuneration and Sustainability Committee will be responsible for processes of selection of board members.

Any director may suggest candidates for director provided that they meet the requirements set out in this policy. Likewise, the Company can count on the collaboration of external advisors in searching for and validating candidates for board membership.

The preparation of proposals for the appointment or re-election of Board members shall be based on an analysis of the Company's needs, which should be carried out by the Board of Directors with the advice and reporting of the Appointments, Remunerations and Sustainability Committee. In proposals for the re-election of directors, the Appointments, Remunerations and Sustainability Committee will assess the quality of work and dedication to the post during the term of office.

This report by the Appointments, Remunerations and Sustainability Committee on the needs of the Company will be published when the General Shareholders Meeting is called to vote on the ratification, appointment or re-election of each director, either as an independent document or as part of the proposal or report on the corresponding candidate.

3- CONDITIONS TO BE MET BY CANDIDATES

Candidates for the position of director of the Company should have independent criteria, recognised professional prestige, good character, solvency, competence and experience.

In addition, efforts will be made to ensure that, in the selection of candidates, an appropriate balance is achieved in the Board as a whole, which will enrich decision-making and bring a pluralistic viewpoint to the discussion of matters within its competence.

Specifically, the following principles should be taken into account when formulating proposals or reports for director candidates:

a) Principle of honesty and expertise: Candidates and directors must be of good repute, have good creditworthiness, competence and experience and must be extremely rigorous in relation to those called upon to fill the positions of independent board members.

b) Principle of necessary dedication: Without prejudice to the limitations established in the Company's internal regulations, candidates must demonstrate a degree of commitment appropriate to the demands of their position and be ready, in view of their personal circumstances, to provide sufficient dedication for the correct performance of their duties.

c) Principle of diversity: The selection of directors should be guided by the aim of achieving a diverse and balanced composition of the Board of Directors which would contribute different points of view to the discussions it holds, thus enriching the decision-making process. To this end, in the selection of candidates for board members, consideration will be given to candidates whose appointment contributes to increasing the diversity of knowledge, skills, experience, origins, nationalities, age and gender. The selection process should avoid implicit biases that may imply discrimination and, in particular, make it difficult to select female directors. To this end, when the Appointments, Remunerations and Sustainability Committee or the Board itself, as the case may be, seeks a professional profile, the Company's interests shall be taken into consideration first, without prejudice to the fact that, when faced with two similar professional profiles, the one that represents the least represented gender shall be chosen. In this regard, the objective is for the number of female directors to represent at least 40% of the total members of the Board of Directors by the year 2022.

d) The Company will also promote diversity policies to work towards the Company having a significant number of female senior executives through effective equal opportunities, measures to balance personal and family life and by including candidates of the under-represented gender in all internal processes to cover management positions.

e) Principle of specialisation: The reports on the appointment of directors to sit on the Board's advisory committees shall take into account the candidate's expertise and experience in the area or functions in question, as well as the appropriate balance in the overall composition of the Committee.

Likewise, candidates should comply with the requirements established in the Company's Bylaws, in the Regulations of the Board of Directors' and in the provisions on good governance, for the appropriate performance of the Directors' duties and, in particular, those relating to the duty of diligence and loyalty, avoiding situations of conflict of interest or incompatibility.

4- IMPEDIMENTS TO BEING A CANDIDATE FOR DIRECTOR

No natural person nor, as the case may be, a representative of a legal entity may be considered as a candidate for director if they are:

- a) Persons who are involved in any case of incompatibility or prohibition regulated by general laws or provisions.
- b) Persons who hold the position of director in more than three companies, in addition to Viscofan, whose shares are listed for trading on domestic or foreign stock exchanges.
- c) Persons who, in the two years prior to their possible appointment, without prejudice to the legally required period, have occupied: (i) senior positions in the public sector; or (ii) positions of responsibility in the regulatory bodies of the sector(s) in which the Company operates.
- d) In general, persons who in any way have interests opposed to those of the Company or the Viscofan Group.

5- VERIFICATION OF COMPLIANCE WITH THIS POLICY

The Appointments, Remuneration and Sustainability Committee shall periodically evaluate the effectiveness of this Policy and take appropriate action to address any shortcomings, proposing such amendments as it deems appropriate.

The Company will report the result of the verification of compliance with this policy in the Annual Corporate Governance Report and in the annual report of the Appointments, Remuneration and Sustainability Committee.

6- APPROVAL AND VALIDITY

This Policy, at the proposal of the Appointments, Remuneration and Sustainability Committee, was approved by the Viscofan Board of Directors at its meeting on 17 December 2020 and came into force upon its approval.
