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

REPORT DRAWN UP BY THE BOARD OF DIRECTORS OF VISCOFAN, SOCIEDAD LIMITADA ON THE ADOPTION AND APPLICATION OF RECOMMENDATION 29 OF THE UNIFIED CODE OF GOOD GOVERNANCE OF LISTED TRADING COMPANIES AND THE CONSEQUENT AMENDMENT OF ARTICLE 27 OF THE COMPANY BYLAWS, AS PROPOSED TO THE COMPANY'S GENERAL SHAREHOLDERS MEETING CONVENED FOR 29 AND 30 APRIL 2013

A) PURPOSE OF THE REPORT

The Board of Directors issues this report on amendments to the company bylaws that consist of including a new article 27 bis, as proposed to the shareholders for their approval.

The report is issued and adopted by the Company's Board of Directors in accordance with article 286 of the Capital Companies Act.

As part of the dynamic policy for adapting best practices in corporate governance, the Board of Directors incorporated Recommendation 29 of the Unified Code of Good Governance into the Board Regulations and then submitted a proposal to the General Shareholders Meeting of 2012 for the inclusion thereof in the Company Bylaws.

Said proposal was included as an alternative by the Board as part of a complement for a call submitted by a shareholder who held more than 5% of the share capital at the time.

The Board's proposal was adopted but could not be filed with the Companies Registry owing to the fact that the Companies Registrar considered that the complement for a call proposed by the shareholder was null and void, confirming the "doubts regarding the admissibility of said complement" already expressed by the Board through its Secretary at the General Shareholders Meeting.

Accordingly, the Board of Directors puts to the shareholders the proposal for the aforementioned amendment to the Company Bylaws with the same content and tenor that was submitted and adopted at the previous General Shareholders Meeting.

B) CONTENT OF THE PROPOSED AMENDMENT

Recommendation 29 of the Unified Code of Good Governance provides the following:

> "***Rotation of independent directors***
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> *A long term as a member of the Board of the same company may provide the director with a wealth of experience and detailed knowledge of the company. However, through the creation of spontaneous links of friendship with the other members of the board (especially the executive directors) and by making the director jointly responsible for the resolutions that are adopted during his/her term of office, his/her viewpoint may be affected and no longer be genuinely different from those of the representative directors and managers. Notwithstanding the foregoing, it is important to note that said period (which this Code, based on the Recommendation of the European Commission of 15 February 2005, has set at 12 years, i.e. two maximum terms of office as provided in article 126.2 of the Public Limited Companies Act) will not lead to the director losing his/her status of "independent".*
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> *Accordingly, the following recommendation is made:*
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> ***29. Independent directors should not hold office as such for a continued period of more than 12 years.***"

For its part, Annex II to the Recommendation of the European Commission of 15 February 2005 (2005/162/CEE) provides the circumstances that determine the independence of directors:

"It is not possible to list comprehensively all threats to directors' independence; the relationships or circumstances which may appear relevant to its determination may vary to a certain extent across Member States and companies, and best practices in this respect may evolve over time. However, a number of situations are frequently recognised as relevant in helping the (supervisory) board to determine whether a non-executive or supervisory director may be regarded as independent, even though it is widely understood that assessment of the independence of any particular director should be based on substance rather than form. In this context, a number of criteria, to be used by the (supervisory) board, should be adopted at national level. Such criteria, which should be tailored to the national context, should be based on due consideration of at least the following situations: [...]

(h) not to have served on the (supervisory) board as a non-executive or supervisory director for more than three terms (or, alternatively, more than 12 years where national law provides for normal terms of a very small length);"

As their mere reading shows, both recommendations set a period of twelve (12) years as a suggested maximum term of office for the post of independent director, which must not determine the automatic loss of the director's status as independent and is not a determining factor; however, it must correspond to the circumstances applicable in the company and the career and profile of the director under analysis.

The Board of Directors considers that, at the present time, there are no circumstances that may occasionally justify the relevance of this time limit for the loss of independence and that act as a basis for the recommendation. However, this body of government is aware that the rules of corporate governance must be adapted and adopted with the future in mind and to deal with any situations that may arise.

Accordingly, the Board of Directors accepts and incorporates the aforementioned recommendations in their authentic terms and proposes that the maximum period of twelve (12) years for the office of independent director should include the impossibility of him/her being re-elected for a new term of office as an independent director.

However, the Board considers that said time limit cannot be given more importance than it is due since, as with all abstract and generic limits, it is to a certain extent random. In particular, said limit cannot be a conditioning factor for the sovereign will of the General Shareholders Meeting as the body with powers to collect the members of the Board.

Therefore, the rule must be clarified on two levels. First of all, its application must not affect the appointments that have already been made by the General Shareholders Meeting for a specific period of time since the removal of independent directors before completion of their statutory term of office when they have not failed to fulfil any of their duties or when there is no just cause would be a breach of recommendation 31 of the Unified Code of Good Governance, which provides that it will not necessarily affect the category of the director during the current term of office, obviously without prejudice to the power of the Appointments and Remunerations Committee to change the category of any director at any time in accordance with other current circumstances, applicable legislation and the best practices of corporate governance.

Secondly, the rule cannot restrict the General Shareholders Meeting's freedom to re-elect as members of the Board, under categories other than independent, individuals the shareholders wish to keep as directors after much experience in management. We consider that, in view of the characteristics of the sector in which the Company trades, the know-how acquired by directors after years in their posts is an essential asset of great value that cannot be removed from the scope of the Shareholders Meeting without due justification. Accordingly, the aforementioned recommendations do not prevent an independent director from continuing as such after the period of twelve (12) years, but rather merely consider the appropriateness of reconsidering their category.

Consequently, the Board of Directors proposes to the General Shareholders Meeting the inclusion of a new article 27 bis in the Company Bylaws with the following tenor:

"Art. 27 bis: Independent directors may not be re-elected or appointed for a new term of office under the same classification when they have sat on the company's Board for a term of twelve (12) years as from the date on which they were first appointed.

The independent directors who reach the limit of twelve (12) years provided in the foregoing paragraph while their term of office is in progress may continue in their post and maintain their classification as independent until the completion of their term of office.

Under no circumstances will the provisions of the foregoing paragraphs limit the power of the company's General Shareholders Meeting or, where applicable, the Board of Directors to re-elect or appoint a specific candidate as director and, where applicable, it will affect only his/her possible classification as an independent director."

C) APPROVAL OF THE REPORT

This report has been issued and unanimously adopted by the Board of Directors in its meeting of 22 March 2013.

Tajonar (Navarre), 22 March 2013.