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

REPORT PREPARED BY THE BOARD OF DIRECTORS OF "VISCOFAN, SOCIEDAD ANÓNIMA" ON THE AMENDMENT OF THE COMPANY BYLAWS, TO BE PROPOSED TO THE GENERAL SHAREHOLDERS' MEETING OF 6 AND 7 MAY 2015

A) PURPOSE OF THE REPORT

This report has been issued by the Board of Directors to provide information about company bylaw amendments which is proposed to the shareholders for their approval by separate voting on the various items, either by article or group of articles on matters that are essentially independent.

The report is issued and approved by the Board of Directors in accordance with Article 286 of the Spanish Corporate Enterprise Act (Ley de Sociedades de Capital), and approved in the meeting of 26th March 2015.

Within the framework of the dynamic policy to adopt the best corporate governance practices and in application of Act 31/2014 of 3rd December, amending the Spanish Corporation Law in order to improve corporate governance.

These changes to the Articles of Incorporation are also complemented with the changes to the Regulations of the General Shareholders Meeting of Viscofan, which is also proposed as a separate item on the agenda, for which purpose the Board of Directors has also prepared a specific explanatory report.

In order to achieve the greatest clarity for the proposals contained herein, attached hereto is the final text of the articles proposed for amendment.

B) CONTENT OF THE PROPOSED AMENDMENT

1.- With regard to the General Meeting.-The Board of Directors proposes the following amendments in order to adapt the articles of incorporation to Act 31/2014, on the improvement of corporate governance:

- Art. 17 modifying the minimum percentage to request the holding of an Extraordinary General Meeting, to 3% instead of 5%.
- Art. 18, reducing the number of members required to request the publication of an addendum to the call for the Shareholders' Ordinary General Meeting from 5% to 3%, and it is determined that a failure to publish the said addendum shall be grounds for contesting the AGM and not for invalidating it.
- Art. 21 with regard to the need for an absolute majority in order to approve certain matters at the first call of meeting.
- Art. 24, to specify the need for a simple majority approval for the approval of those agreements not requiring an absolute majority.
- Art. 25, to include the regulations of the General Meeting amongst the rules and regulations containing the shareholders' rights.

2.- Related with the Board of Directors

2.1. The Board of Directors proposes the following amendments in order to adapt the articles of incorporation to Act 31/2014, on the improvement of corporate governance:

- Art. 27 bis to incorporate the different types of directors: executive and non-executive (independent, nominee and other external directors).
- Art. 27 quater, to improve the wording of the remuneration of Directors in accordance with the Spanish Corporation Law.
- Art. 29 to include a mention of the non-transferable powers of the Board established by the applicable regulations.
- Art. 30.2, to include a minimum number of three and maximum of five members on the Audit Committee and to adapt its responsibilities to those established by the regulations.
- Art. 30.3, to include a minimum number of three and maximum of five members on the Appointment and Retributions Committee and to adapt its responsibilities to those established by the regulations.

2.2. Composition of the Board of Directors The Board of Directors proposes amending article 26 of the articles of incorporation regarding the composition of the Board of Directors in order to increase the maximum number of directors from nine to ten.

Due to the increasing complexity of the Viscofan Group's business, with the incorporation of the plants in China and Uruguay and its international growth, in addition to the continuous improvement of the corporate governance made by the company over the last few years, with the inclusion of new responsibilities and obligations falling on the Board of Directors and its members, leading to an increase in the activity of the various Committees making up the board, greater diversification has become necessary in order to guarantee the appropriate dedication of directors when exercising their duty of diligent management, whist also maintaining a composition that is appropriate to the size and complexity of the Viscofan Group.

2.3. Others

- The Board proposes amending articles 30 and 30.1 regarding the Executive Committee, to call it Executive Committee or Delegate Committee.
- The board proposes removing the time reference to the 1st January 1990, in article 31, regarding the financial years, as this is now obsolete.

C) APPROVAL OF THE REPORT

This report has been issued and unanimously adopted by the Board of Directors its meeting of 26th March 2015.

Art. 17. The Extraordinary General Shareholders Meeting will meet when so agreed by the Board of Directors, at its own initiative or when requested by shareholders representing at least 3%, where the request for the meeting must contain the business that is to be included on the agenda.

Art. 18. In accordance with Law, the Shareholders Meetings must be convened by the Board of Directors by means of an announcement published in the Official Gazette of the Companies Registry, on the company's website or, if it does not have such a website, in one of the daily newspapers with the highest circulation in the province. Said announcement must be published at least one month in advance of the date set for the Shareholders Meeting.

The Ordinary General Shareholders Meeting will be quorate even though it has been convened or is held late.

The announcement convening the meeting will set the venue and date of the meeting, the business on the agenda and the date on which, where applicable, the meeting will be held at second call, where there must be a term of at least twenty-four hours between one and the other.

The shareholders representing at least three per cent of the share capital may request the publication of a complement to the call to the Ordinary General Shareholders Meeting, including one or more items of business on the agenda. This right must be exercised through notification requiring irrefutable acknowledgement of receipt received at the Company’s place of business in the term of five days following publication of the call to meeting.

The complement to the call to the meeting must be published at least fifteen days in advance of the date set for the Shareholders Meeting.

Failure to publish the addendum to the call to meeting within the legally established period shall be grounds for contesting the Meeting.

Art. 21. Notwithstanding the provisions of the foregoing article, for the General, Ordinary or Extraordinary Shareholders Meeting to be able to resolve on the issue of bonds, the increase or reduction of share capital, the transformation, merger, split or dissolution of the Company and, in general, whatsoever amendment to the bylaws, the shareholders in attendance in person or by proxy at first call must represent at least 50% of the subscribed capital with the right to vote. Agreements shall be adopted by absolute majority.

At second call, the attendance of 25% of said capital will suffice.

When shareholders representing less than 50% of the subscribed capital with the right to vote attend, the resolutions referred to in the foregoing section may only be adopted in a valid manner with the vote in favour of two-thirds of the capital in attendance at the Shareholders Meeting in person or by proxy.

Art. 24. Agreements shall be adopted by simple majority of votes, except for the special majorities provided for in article 21, and shall be recorded in the Company's minutes book.

Shareholders may vote directly or by proxy on motions included on the agenda for the meeting by post, electronic channels, or any other means of remote communication, provided that the identity of the individual exercising their voting rights is duly verifiable.

Each share carries one vote.

Shareholders who cast their votes remotely must be treated as present when calculating the quorum for the meeting.

The minutes will be signed by the Chairman and the Secretary and any certificates that may be issued of such minutes must bear the signatures of both persons.

Art. 25. Shareholders' rights relating to information, challenges, procedures, approval of minutes and other matters related to the Shareholders Meeting will be governed by the General Shareholders meeting regulations, the provisions of the Capital Companies Act and other applicable laws.

Art. 26. The representation and administration of the Company will be commissioned to a Board of Directors, made up of a minimum of three members and a maximum of ten.

Their appointment will correspond to the General Shareholders meeting in accordance with article 243 of the Capital Companies Act.

Art. 27º bis. The directors may be:

- executive: those that perform management duties with the company or group.
- non-executive: other directors, who may be independent, nominee or external, based on the definitions and requirements established by the regulations in force.

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.

Art. 27º quarter. The Directors will receive remuneration according to the exercise of their duties, which may vary in each individual case in accordance with their responsibilities and committee membership, and may include insurance and pensions and the awarding or shares, the recognition of share option rights and share performance-indexed remuneration. Furthermore, they shall receive amounts for attendance of meetings of the Board of Directors and its Committees.

Whenever the directors' remuneration consists in the awarding of shares, the recognition of share option rights or share-performance-indexed remuneration, then the agreement of the General Meeting is required, which shall determine, where applicable, the number of shares to be given, the price of exercising the share option rights, the value of the share taken as a reference and the duration of this remuneration system and this may be backdated to the start of the financial year to which it refers to.

The Board of Directors will agree on the distribution of remuneration among Directors.

The annual sum of remuneration to Directors, for all items, will not exceed the limit of 1.5% of liquid annual net earnings before tax, without prejudice to other applicable legal limitations. For these purposes, where applicable, the premium or equivalent value of stock options or future entitlements conceded by the Directors, valued at the time of their delivery, will be calculated.

Remuneration related to the performance of work or professional duties in the Company that are different from those performed as board members will be considered to be independent from the remuneration system stated herein and will not be calculated for the purposes of the established limit.

The Company will contract civil responsibility insurance for Directors and senior management."

Art. 29º: The Board of Directors is invested with the broadest powers to direct, administrate and represent the Company in all matters regarding corporate business or trade, and also with the non-delegable powers established in the applicable regulations, included but not limited to the following powers :

To represent the company in and out of court.

To use or delegate the corporate signature.

To open and use current and credit accounts at any bank, including the Bank of Spain and its branches; to arrange all types of banking and credit transactions, even with the Bank of Spain, its branches or any other national or foreign Bank.

To purchase, sell, exchange, hire and encumber chattel and fixed assets, industrial or commercial premises and all types of businesses.

To constitute, amend and cancel real rights associated therewith.

To attend and take part in all types of tenders and auctions and to arrange supply agreements and the execution of works or services.

To constitute and cancel provisional or definitive sureties, to collect and pay sums the Company has to receive or pay, including sums receivable or payable at central, regional, provincial or local Tax Offices, Collection Offices and Administrative Agencies.

To undertake to all types of acts and contracts of administration, conveyance, disposal, ownership and encumbrance of tangible and intangible assets; to award all kinds of general or special, commercial, legal or administrative powers of attorney and, in general, whatever business necessary for the Company's development and progress.

To acquire, by any legitimate means, all kinds of machinery, instruments or equipment intended for the following: public works, all kinds of construction, and industrial and commercial operations.

To hire or assign the use of said machinery or industry, with or without the option to purchase, to any national or foreign, public or private legal entity or natural person.

To act as a broker for the sale or purchase of said assets.

To import, export, develop and take part in said activity in relation to the assets mentioned in the foregoing sections.

To provide general finance for any operation for the above-mentioned purpose.

To draft studies and reports on all types of legal, economic and financial issues, and to give advice accordingly.

To sign financial, industrial or commercial projects and, generally, all kinds of similar operations, and to take part therein.

To purchase all kinds of credits and bills for trading.

To guarantee or in any other way endorse in civil and trading matters legal entities and private persons as deemed appropriate and, before any persons or institutions, in the operations or obligations they undertake or contract, signing any private or public documents as required, of any kind, including bills of exchange.

Art. 30. Within the Board of Directors and by delegation thereof, there will be at least one Executive Committee or Delegate Committee, one Audit Committee or Commission and one, or two separate, Appointments and Remuneration Committee.

1. The Executive Committee o Delegate Committee will comprise a minimum of three and a maximum of five members. The following will be members of the Delegate Committee: the Chairman, the First Vice-Chairman, and one to three Directors appointed by the Board itself pursuant to legal requirements.

The Delegate Committee will adopt its resolutions by majority vote and the Chairman will have the casting vote. The Chairman of the Board will chair the Committee. As a permanent delegation of the Board of Directors, the Delegate Committee will exercise all the powers of the Board, except for the following: sale, swap and encumbrance of property, industrial or commercial premises and all manner of businesses; creation and modification of real rights over said property, premises and businesses; conveyance, disposal, ownership and encumbrance of property; creation and modification of property mortgages; submission of disputes to private arbitration; and those powers that may not be delegated in accordance with applicable law

2. The Audit Committee shall be formed by a minimum of three and a maximum of five members, formed exclusively from non-executive Directors appointed by the Board of Directors, at least two must be independent Directors and one appointed taking into account his/her knowledge and experience in accounting, auditing or both.

The members of the Committee will automatically cease to sit on the Committee when they cease to sit as Directors or based on a decision by the Board of Directors.

The Audit Committee will elect a Chairman selected from the independent Directors that comprise the Commission, who will be replaced every four years; the Chairman may be re-elected one year after he/she ceases to serve as Chairman.

The Audit Committee will meet whenever convened by its Chairman, by decision of the Board of Directors, or upon the request of the majority of its members.

The Audit Committee will be quorate with the attendance in person or by proxy of the majority of its members.

Resolutions will be adopted by simple majority vote of the members attending the meeting and the Chairman will have the casting vote.

Resolutions will be recorded in the Audit Committee's Minutes Book, and will be signed by the Chairman of the Committee, as will any certificates issued for the adoption of resolutions.

The Audit Committee will be entitled to request the presence of any member of the management team or any company employee at its meetings, including the presence of the company's independent auditors or any company advisor whose presence is deemed desirable. All the aforementioned persons will be bound to cooperate and provide access to any information they may have.

Without prejudice to the responsibilities assigned by regulations and other responsibilities assigned by the Board of Directors, the mission of the Audit Committee shall at least be:

a) To report to the shareholders at the General Shareholders Meeting on business brought forth by the shareholders with respect to matters within its competence.
b) To propose to the Board of Directors for submittal to the shareholders at the General Shareholders Meeting the appointment of the Auditor referred to in Article 264 of the Capital Companies Act.
c) To supervise, when appropriate, the internal audit services.
d) To supervise the Company's financial reporting process and its internal control systems.
e) To maintain a relationship with the Auditor to receive information on matters that may jeopardise the Auditor's independence, assembling and issuing the reports required by law, and any other matters related to the process of performing the audit, as well as to receive information from and maintain with the Auditor the communications set forth in audit law and in technical audit standards.

3. The Appointments and Remunerations Committee or, as the case may be, Committees, will be formed by a minimum of three and a maximum of five members, and will be formed exclusively from non-executive Directors appointed by the Board of Directors. At least two must be independent Directors.

Committee members will appoint a Chairman selected from the independent Directors that comprise the Commission.

The purpose of the Appointments and Remunerations Committee will be as follows:

a) Evaluate the qualifications, knowledge and experience required by the Board and, as a result, define the functions and skills required from candidates who will cover each vacant position and evaluate the amount of time and dedication required for the effective performance of their duties.

b) Set a representation target for the least represented sex on the Board of Directors and prepare guidelines on how to achieve this target.

c) Provide the Board of Directors with proposals for appointing independent Directors for appointment by co-optation or submission for voting at the General Shareholders Meeting. Submit proposals for the re-election or removal of these Directors.

d) Provide information about proposals for appointing all other Directors for appointment by co-optation or submission for voting at the General Shareholders Meeting, as well as proposals for re-election or removal by the General Shareholders Meeting.

e) Provide information about proposals for appointing and dismissing of senior management and principal conditions of their contracts.

f) Review and organise the succession procedure for the Chairman of the Board of Directors and the Chief Executive Directors to ensure that such succession is handled in an ordered and planned manner.

g) Provide the Board of Directors with a proposal for the remuneration of directors and senior management, as well as individual remuneration and other contractual conditions corresponding to executive Directors and oversee adherence to this policy.

The Appointments and Remuneration Committee will report to the Board of Directors on the business it addresses and all resolutions it adopts, and will submit the minutes of its meetings to all directors.

In addition to the Executive Committee or the Delegate Committe, the Audit Committee or Commission and the Appointments and Remuneration Committee or, as the case may be, Commissions, the Board of Directors may appoint other commissions or committees whose powers and obligations will be established by the Board on a case-by-case basis.

Notwithstanding the provisions of this article, the Board of Directors may delegate all or part of its powers to one or more Chief Executive Officers with the legal requirements and limits, setting the appropriate remuneration for them for said position.

Art. 31. The company's financial years will start on the first day of January and end on the thirty-first day of December of each year.