(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" REGARDING THE AGREEMENT TO THE RE-ELECTION OF MR. IGNACIO MARCO-GARDOQUI IBAÑEZ, AS A INDEPDENT DIRECTOR, TO BE PROPOSED TO THE COMPANY'S GENERAL SHAREHOLDERS' MEETING TO BE HELD ON THE 20TH AND 21ST APRIL 2016.

A) PURPOSE OF THE REPORT

Article 529 decies of the Spanish Corporation Law, as amended by Law 31/2014, of 3rd December, establishes that:

"1. The members of the board of directors of a listed company shall be appointed by the general shareholders meeting or, in the event of an early vacancy, by the board itself by co-option.
2. Co-option in listed companies shall be governed by the provisions of this Law, with the following exceptions:
a) The director appointed by the board need not necessarily be a company shareholder.
b) Should the vacancy arise once the general meeting has been called yet prior to holding the meeting, then the board of directors may appoint a director until the next general meeting is held.
3. For listed public limited companies, the appointment of substitutes is not admissible.
4. The proposal of the appointment or re-election of members of the board of directors is the responsibility of the Appointments and Remuneration Committee, in the case of independent directors, and of the Board of Directors itself, in all remaining cases. 5. Any proposals must be accompanied, in any case, by an explanatory report from the Board, assessing the competence, experience and merits of the candidate proposed, and shall be attached to the minutes of the general meeting or to those of the board meeting itself.
6. The proposal for the appointment or re-election of any non-independent director must also be preceded by a report from the Appointments and Remuneration Committee. [..]".

In order to comply with the provisions set out in section 5 of the aforementioned article, the Board of Directors of VISCOFAN S.A. has prepared this report, accompanying the proposal to the re-election of Mr. IGNACIO MARCO-GARDOQUI IBAÑEZ, as a voting member of the Company's Board of Directors, with the status of Independent Director, to be submitted to the Company's Ordinary General Shareholders' Meeting.

For the purpose of making the aforementioned proposal, the Board of Directors considered the proposal made by the Appointments and Retribution Committee, with the absence of Mr. Marco-Gardoqui in accordance with the provisions of article 529 decies. 4 of the Spanish Corporation Law, after conducting an analysis of the current composition of the Board and its needs, considering the conditions that the directors must meet in order to exercise their responsibilities, and the dedication required to suitably perform their duties.

Likewise, in order to issue this report and as established in the aforementioned regulations, the Board of Directors considered the competence, experience and merits of the candidate proposed.

As a result of the above and considering the proposal made by the Appointments and Remuneration Committee, and its report prepared with the absence of Mr. Maco-Gardoqui which this Board is entirely in agreement with, it is considered that Mr Ignacio Marco-Gardoqui Ibañez has the competence, experience and merits required, for the purpose of proposing to the Company's General Shareholders' Meeting, his re-election as a member of the Governing Board of Viscofan S.A., with the status of Independent director, for the statutory period of four years. This report is issued pursuant to the requirements established by article 529 decies of the Spanish Corporation Law.

The report of the Appointments and remuneration Committee highlights the hard work and commitment shown by Mr Marco-Gardoqui over the last six years, on the Board of Directors and also on the Committees of which he is a member, as a voting member of the Audit Committee and as Chairman of the Appointments and Remuneration Committee whilst, in the assessment reports, he has obtained a highly satisfactory rating.

In the course of these years in which Mr Marco-Gardoqui has been involved in the company, Viscofan's profits have reached record levels, with maximum listings on the stock exchange, whilst the Group has also achieved increased internationalisation.

This growth has been accompanied by intensive work on the part of the Audit Committee to oversee and control the financial information, counting on Mr Marco-Gardoqui's experience and knowledge of accounting and auditing. At the same time, there has also been increased activity in the Appointments and Remuneration Committee, faced with the challenge of establishing remuneration policies directed at retaining and attracting the talent required for the Board of Directors and senior management, in order to ensure the effective working practices of this sector leader.

B) PROPOSAL FOR AGREEMENT

The Board proposes the appointment, for a period of four years as of the date on which the Shareholders' General Meeting is held, of Mr. Ignacio Marco-Gardoqui Ibañez as an Independent Director.

C) APPROVAL OF THE REPORT

This report has been issued and unanimously approved by the Board of Directors at its meeting held on the 29th February 2016.