

SPANISH LISTED COMPANIES

IDENTIFICATION DATA

FINANCIAL YEAR ENDED: 31/12/2011

C.I.F. A-36603587

Name: PESCANOVA, S.A.

REPORT ON CORPORATE GOVERNANCE FOR LISTED COMPANIES

For a better understanding of this form, please read the instructions at the end of the same.

A. COMPANY OWNERSHIP STRUCTURE

A.1. Please complete the following table regarding share capital:

Date of last change	Share Capital (euros)	Number of Shares	Number of voting rights
29/10/2009	116,683,524.00	19,447,524	19,447,524

Please indicate whether some shares have different voting rights from others:

NO

A.2. Please provide details of direct or indirect owners of significant holdings in your company at year end, excluding the members of the Board of Directors:

Name of the Shareholder	Number of direct voting rights	Number of indirect voting rights *	% on total voting rights
GOVERNANCE FOR OWNERS LLP	0	986,827	5.074
MR JOSÉ ANTONIO PÉREZ NIEVAS HEREDERO	0	974,307	5.010
SOCIEDAD ANÓNIMA DAMM	0	972,366	5.000
MR JOSÉ ALBERTO BARRERAS BARRERAS	0	748,100	3.847

Name of Indirect Shareholder	Held through: Name of the Direct Shareholder	Number of direct voting rights	% on total voting rights
GOVERNANCE FOR OWNERS LLP	GOVERNANCE FOR OWNERS LLP	986,827	5.074
MR JOSE ANTONIO PÉREZ NIEVAS HEREDERO	GOLDEN LIMIT S.L.	974,307	5.010
SOCIEDAD ANÓNIMA DAMM	CORPORACIÓN ECONÓMICA DAMM	972,366	5.000
MR JOSE ALBERTO BARRERAS BARRERAS	TRANSPESCA, S.A.	748,100	3.847

Please indicate the most significant movements in shareholding structure during the year:

Name of the shareholder	Date of the transaction	Transaction Description
MR JOSE ANTONIO PÉREZ NIEVAS HEREDERO	05/07/2011	more than 5% shareholding
SOCIEDAD ANÓNIMA DAMM	01/07/2011	more than 3% shareholding
CXG CORPORACIÓN NOVACAIXAGALICIA, S.A.	20/06/2011	less than 3% shareholding
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	07/06/2011	less than 3% shareholding
GOVERNANCE FOR OWNERS LLP	05/08/2011	more than 5% shareholding

A.3. Please provide details of the members of the Board of Directors of the Company who have voting rights

Name of the Director	Number of direct voting rights	Number of indirect voting rights (*)	% on total voting rights
MR. MANUEL FERNANDEZ DE SOUSA-FARO	25,386	2,882,642	14.953
MR. ALFONSO PAZ-ANDRADE RODRIGUEZ	2,631	992,120	5.115
MR. ANTONIO BASAGOITI GARCÍA-TUÑÓN	1,100	0	0.006
INVERPESCA, S.A.	1,551,786	0	7.979

Name of the Director	Number of direct voting rights	Number of indirect voting rights (*)	% on total voting rights
MR JOSÉ CARCELLER ARCE	1,000	0	0.005
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	975,000	0	5.014
LUXEMPART, S.A.	992,000	0	5.101
MR. ROBERT ALBERT WILLIAMS	221	0	0.001
SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)	19,710	0	0.101

Name of Indirect Shareholder	Held through: Name of the Direct Shareholder	Number of direct voting rights	% on total voting rights
MR MANUEL FERNÁNDEZ DE SOUSA-FARO	SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)	2,882,642	14.823
MR MANUEL FERNÁNDEZ DE SOUSA-FARO	INVERPESCA, S.A.	1,551,786	7.979
MR MANUEL FERNÁNDEZ DE SOUSA-FARO	SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)	19,710	0.101
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	CXG CORPORACION CAIXAGALICIA, S.A,	3,889,450	20.000
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	NOVA ARDARA EQUITIES, S.A. (FORMERLY JOSECHU, S.A.)	991,210	5.097
MR ALFONSO PAZ-ANDRADE RODRÍGUEZ	SIPSA	830	0.004
MR ALFONSO PAZ-ANDRADE RODRÍGUEZ	IBERCISA	280	0.001

Total % of voting rights held by the Board of Directors	38.276
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Please fill in the tables regarding members of the Board of Directors of the Company having rights on shares of the company:

- A.4. Please indicate, where applicable, any family, trading, contractual or corporate relationships, between the owners of significant shareholding, to the extent that they are known to the Company, unless these are of little relevance or arise from the ordinary business of the company:

A.5. Please indicate, where applicable, any trading, contractual or corporate relationship between the owners of significant shareholding and the Company and/or its Group of Companies, unless these are of little relevance or arise from the ordinary business of the company:

A.6. Please indicate any paracorporate agreement reported to the Company, affecting the same, as per art. 112 of the Stock Exchange Act. If any, please provide a short description and indicate the shareholders involved.

NO

Please indicate if the Company is aware of any arranged action between shareholders. If any, please provide a short description.

NO

If, during the financial year, any of the above arrangements has been amended or cancelled, please indicate so:

A.7. Please indicate if there is any individual or company who has control or could have control over the Company, pursuant to article 4 of the Stock Exchange Act, if any, please identify:

NO

A.8. Please complete the following tables regarding own shares:

At year end:

Number of direct shares	Number of indirect shares (*)	% on total share capital
69,428	0	0.357

(*) held through:

Total	0
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Please provide details of significant changes during the year, as provided in Royal Decree 1362/2007:

Gain (loss) from disposal of own shares during the year (thousands of euros)	0
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A.9. Please provide details of conditions and term of the authorisation given by the General Meeting of Shareholders to the Board of Directors.

At the Annual General Meeting of Shareholders held on 8 April 2011, it was unanimously resolved to

- a) authorise the Board of Directors so that within the following five years the Board is entitled to acquire, in any lawful manner, shares of the company, either directly or through Group companies, as well as to dispose or later redeem the said shares, delegating on the Board of Directors the required authorities for the execution of the resolutions adopted by the Annual General Meeting of Shareholders in this respect.

The regime for the acquisition of own shares shall be the following:

- That the nominal value of own shares acquired, added to those already held by the Pescanova, S.A. and its Group companies, is not higher than ten per cent (10%) of the share capital or the highest percentage authorised by Law during the term of this authority.
 - That an undisposable reserve equivalent to the amount of own shares recognised under assets can be recognised under shareholders' equity in the balance sheet of the Company. Such reserve shall be kept until the shares are disposed or redeemed.
 - That the shares acquired are fully paid.
 - That the acquisition price has a maximum exchange resulting from a 20% increase on the average price during the month prior to the acquisition and a minimum rate resulting from a 20% discount on the average price of the shares during the month prior to the acquisition, all the above in compliance with any other legal requirement. Acquisition can be made by Pescanova, S.A. or indirectly through its Group companies in the same terms and conditions.
- b) Reduce the share capital, for the purpose of redeeming own shares of PESCANOVA, S.A. which are recognised in the balance sheet of the company or of any of its Group companies, chargeable to free disposal reserves, and for the amount that at any time is considered appropriate or necessary, provided that the amount of any reduction undertaken under this resolution, during the term of this authorisation, cannot be higher than the maximum amount authorised for the derivative acquisition of shares of PESCANOVA, S.A.

A.10 Please indicate, where applicable, any restriction related to voting rights either pursuant to law or the articles of association, as well as any restriction, pursuant to law, related to the acquisition or transfer of shares. Also, please indicate if there is any restriction, as provided by law, for the exercise of voting rights:

NO

Maximum percentage of voting rights, as limited by law, exercisable by a single shareholder	0
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Please indicate if there is any restriction, as provided in the articles of association, for the exercise of voting rights:

NO

Maximum percentage of voting rights, as limited by the articles of association, exercisable by a single shareholder	0
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Please indicate if there is any restriction, as provided by law, for the acquisition or transfer of shares.

NO

A.11. Please indicate if the General Meeting of Shareholders has resolved to adopt any measure to neutralise a take over bid as provided in Act 6/2007.

NO

If any, please explain the measures so adopted and the terms in which such restriction would become ineffective:

B. STRUCTURE OF GOVERNING BODIES OF THE COMPANY

B.1. The Board of Directors

B.1.1. Please indicate maximum and minimum number of members of the Board as provided in the Articles of Association:

Maximum number of members of the Board	15
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Minimum number of members of the Board	3
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B.1.2. Please complete the table below providing details of the Board of Directors:

Name of the member of the Board	Representative	Position in the Board	Date of first appointment	Date of last appointment	Election method
MR. MANUEL FERNANDEZ DE SOUSA-FARO	-	CHAIRMAN	25/06/1977	23/04/2008	VOTING AT THE AGM
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	-	MEMBER OF THE BOARD	25/06/1997	23/04/2008	VOTING AT THE AGM
MS ANA BELEN BARRERAS RUANO	-	MEMBER OF THE BOARD	25/04/2007	25/04/2007	VOTING AT THE AGM
MR ANTONIO BASAGOITI GARCÍA-TUÑÓN	-	MEMBER OF THE BOARD	20/06/1996	08/04/2011	VOTING AT THE AGM
IBERFOMENTO, S.A.	JOSÉ ANTONIO PEREZ-NIEVAS HEREDERO	MEMBER OF THE BOARD	28/04/2006	08/04/2011	VOTING AT THE AGM
ICS HOLDINGS LTD.	FERNANDO FERNANDEZ DE SOUSA-FARO	MEMBER OF THE BOARD	04/09/2009	25/02/2010	VOTING AT THE AGM
INVERPESCA, S.A.	PABLO JAVIER FERNANDEZ ANDRADE	MEMBER OF THE BOARD	26/05/2000	06/04/2010	VOTING AT THE AGM
MR JOSÉ CARCELLER ARCE	-	MEMBER OF THE BOARD	09/09/2011	09/09/2011	CO-OPTION
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	FRANCISCO JAVIER SORIANO AROSA	MEMBER OF THE BOARD	28/02/2006	08/04/2011	VOTING AT THE AGM
LUXEMPART, S.A.	FRANÇOIS TESCH	MEMBER OF THE BOARD	09/09/2011	09/09/2011	CO-OPTION
MR ROBERT ALBERT WILLIAMS	-	MEMBER OF THE BOARD	29/06/1993	06/04/2010	VOTING AT THE AGM

Name of the member of the Board	Representative	Position in the Board	Date of first appointment	Date of last appointment	Election method
SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA) (INDIRECTLY HELD BY MR MANUEL FERNANDEZ)	JESUS CARLOS GARCIA GARCIA	MEMBER OF THE BOARD	28/04/2006	08/04/2011	VOTING AT THE AGM
MR. YAGO MENDEZ PASCUAL	-	MEMBER OF THE BOARD	28/04/2006	08/04/2011	VOTING AT THE AGM

Total number of members of the Board of Directors	13
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Please indicate any resignation occurring during the year

Name of the member of the Board	Type of director at the time of resignation	Date of resignation
CXG CORPORACION NOVACAIXAGALICIA, S.A.	PROPRIETARY	24/06/2011
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PROPRIETARY	24/06/2011

B.1.3. Please complete the tables below regarding members of the Board and their status within the Board of Directors:

EXECUTIVE DIRECTORS

Name of the member of the Board	Committee that has proposed his/her appointment	Position in the Company
MR MANUEL FERNANDEZ DE SOUSA-FARO	APPOINTMENTS AND REMUNERATION COMMITTEE	CHAIRMAN

Total number of Executive Directors	1
Total % on the Board	7.692

NON-EXECUTIVE PROPRIETARY DIRECTORS

Name of the member of the Board	Committee that has proposed his/her appointment	Name of the significant shareholder who represents or who has proposed his/her appointment
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	APPOINTMENTS AND REMUNERATION COMMITTEE	NOVA ARDARA EQUITIES S.A. (FORMERLY JOSECHU, S.A.)
MS ANA BELEN BARRERAS RUANO	APPOINTMENTS AND REMUNERATION COMMITTEE	TRANSPESCA, S.A.
IBERFOMENTO, S.A.	APPOINTMENTS AND REMUNERATION COMMITTEE	COLDEN LIMIT, S.L.
ICS HOLDINGS LTD	APPOINTMENTS AND REMUNERATION COMMITTEE	SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)
INVERPESCA, S.A.	APPOINTMENTS AND REMUNERATION COMMITTEE	INVERPESCA, S.A.
MR JOSÉ CARCELLER ARCE	APPOINTMENTS AND REMUNERATION COMMITTEE	CORPORACIÓN ECONÓMICA DAMM
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	APPOINTMENTS AND REMUNERATION COMMITTEE	LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.
LUXEMPART, S.A.	APPOINTMENTS AND REMUNERATION COMMITTEE	LUXEMPART, S.A.
SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)	APPOINTMENTS AND REMUNERATION COMMITTEE	SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)

Total number of Non-Executive Proprietary Directors	9
Total % on the Board	69.231

NON-EXECUTIVE INDEPENDENT DIRECTORS

Name of the member of the Board

MR ANTONIO BASAGOITI GARCÍA-TUÑÓN

Profile

Lawyer, with experience and knowledge of the business world

Name of the member of the Board

MR ROBERT ALBERT WILLIAMS

Profile

Good knowledge of and experience in the fishing sector

Name of the member of the Board

MR YAGO MÉNDEZ PASCUAL

Profile

Good knowledge of and experience in the financial sector

Total number of Non-Executive Independent Directors	3
Total % on the Board	23.077

OTHER NON-EXECUTIVE DIRECTORS

Please provide details why they cannot be considered either Proprietary or Independent directors, as well as their relationship with the Company, its executives or its shareholders:

Please indicate if there has been any change during the financial year regarding the status of any member of the Board:

B.1.4. Please explain, where applicable, reasons why Non-Executive Proprietary Directors have been appointed at the request of shareholders holding less than 5% of the capital.

Please indicate if there has been any unmet formal request for the presence in the Board of Directors from shareholders whose shareholding is equal or higher that of any other shareholders at whose request Proprietary Directors have been appointed. If any, please explain the reasons why such requests have not been met.

NO

B.1.5 Please indicate if any member of the Board of Directors has vacated his position earlier than term for which he/she had been appointed, if he/she has explained his/her reasons and how this explanation has been given, if given in writing to all the Board, please detail, at least, the reasons given:

YES

Name of the member of the Board

CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)

Reason for his resignation

Having concluded its divestment process in Pescanova, S.A.

Name of the member of the Board

CXG CORPORACION NOVACAIXAGALICIA, S.A.

Reason for his resignation

Having concluded its divestment process in Pescanova, S.A.

B.1.6 Please indicate, if any, the authorisations granted to the Managing Director(s):

B.1.7 Please identify, if any, which members of the Board are at the same time members of boards of directors or executives of other Group Companies.

Name of the Director	Name of the group company	Position
MR MANUEL FERNANDEZ DE SOUSA-FARO	DIFFERENT GROUP COMPANIES	MEMBER OF THE BOARD AND REPRESENTATIVE OF A MEMBER OF THE BOARD

B.1.8 Please identify, if it has been reported to the Company, which members of the Board are at the same time members of boards of directors of companies, other than Group Companies, listed in any Spanish Stock Exchange:

Name of the Director	Name of the listed company	Position
MS ANA BELEN BARRERAS RUANO	MONTEBALITO, S.A.	MEMBER OF THE BOARD
MR ANTONIO BASAGOITI GARCIA-TUÑON	SCH	MEMBER OF THE BOARD
MR ANTONIO BASAGOITI GARCIA-TUÑON	BANCO ESPAÑOL DE CRÉDITO, S.A. (BANESTO)	CHAIRMAN
IBERFOMENTO, S.A.	TAVEX ALGODONERA, S.A.	MEMBER OF THE BOARD
IBERFOMENTO, S.A.	NATRA, S.A.	MEMBER OF THE BOARD
IBERFOMENTO, S.A.	CARTERA INDUSTRIAL REA, S.A.	MEMBER OF THE BOARD
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.A.	LA SEDA DE BARCELONA, S.A.	MEMBER OF THE BOARD
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.A.	DURO FELGUERA, S.A.	MEMBER OF THE BOARD

B.1.9 Please explain if the Company has set any rule regarding the number of Boards of Directors of which the members of the Board of the company can be members.

NO

B.1.10 As regards to the recommendation number 8 in the Unified Code please indicate which of the policies and strategies below the Board require the ratification of the full Board of Directors:

Investment and financing policies	Yes
Definition of the Group's structure	Yes
Corporate Governance	Yes
Corporate social responsibility	Yes
Strategic or business plan, as well as management targets and annual budgets	Yes
Remuneration policy and assessment of senior executives performance	Yes
Risk management control, as well as periodic monitoring of internal information and control systems	Yes
Policies regarding dividends and own shares and particularly, the setting of limits on the same	Yes

B.1.11 Please fill in the tables below regarding aggregated remuneration accrued by the members of the Board in the financial year:

a) From the reporting company:

Type of remuneration	Data in Thousands of euros
Fixed fee	618
Variable fee	300
Attendance fees	513
Payments to Directors pursuant to the Articles of Association	460
Stock options and/or other financial instruments	0
Other remuneration	0

Total	1,891
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Other Benefits	Data in Thousands of euros
Advances	0
Loans awarded	0

Other Benefits	Data in Thousands of euros
Pension funds: contribution	0
Pension funds: liabilities	0
Life insurance premium	0
Guarantees provided by the Company in favour of the members of the Board	0

b) For being members of other Group Companies Boards and/or executives in Group Companies:

Type of remuneration	Data in Thousands of euros
Fixed fee	0
Variable fee	0
Attendance fees	0
Payments to Directors as per the Articles of Association	0
Stock options and/or other financial instruments	0
Other remuneration	0

Total	0
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Other Benefits	Data in Thousands of euros
Advances	0
Loans awarded	0
Pension funds: contribution	0
Pension funds: liabilities	0
Life insurance premium	0
Guarantees provided by the Company in favour of the members of the Board	0

c) Total remuneration by type of Director:

Type of Director	From the company	From the Group of Companies
Executive directors	989	0
Non-executive proprietary directors	653	0
Non-executive independent	249	0
Other non-executive directors	0	0

Total	1,652	0
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d) As regards to the profit attributable to the parent company:

Total remuneration to the members of the Board of Directors (in thousands of euros)	1,891
Total remuneration to the members of the Board of Directors/ profit attributable to the parent company (%)	3.8

B.1.12 Please identify senior managers, who are not executive directors, and indicate their total remuneration accrued in the year:

Name	Position
ALFREDO LÓPEZ UROZ	ACCOUNTS DIVISION
ANTONIO TÁBOAS MOURE	FINANCIAL MANAGER
CÉSAR MATA MORETÓN	LEGAL ADVISOR
CÉSAR REAL RODRÍGUEZ	DIVISION GENERAL MANAGER
DAVID TRONCOSO GARCÍA-CAMBÓN	DIVISION GENERAL MANAGER
EDUARDO FERNÁNDEZ PELLICER	IT MANAGER
JESÚS CARLOS GARCÍA GARCÍA	ADVISOR TO THE CHAIRMAN
JOAQUÍN GALLEGU GARCÍA	FLEET MANAGER
JOAQUÍN VIÑA TAMARGO	INTERNAL AUDIT DIVISION
JUAN JOSÉ DE LA CERDA LÓPEZ-BASPINO	FOOD TECHNOLOGY MANAGER
OLEGARIO CASAL CABAILEIRO	DIVISION GENERAL MANAGER

Name	Position
PABLO JAVIER FERNÁNDEZ ANDRADE	DIVISION GENERAL MANAGER
SUSAN SAN SEGUNDO FERNÁNDEZ	HUMAN RESOURCES MANAGER

Total remuneration to senior executives (in thousands of euros)	2,161
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B.1.13 Please identify, on an aggregated basis, whether the company awards severance guarantees or golden parachute clauses in cases of dismissal or changes of control affecting senior management, including executive board members, of the company or the group of companies. Please indicate whether such contracts have to be reported and/or ratified by the company or group governing bodies.

Number of beneficiaries	0
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	Board of Directors	General Meeting of Shareholders
Body ratifying such clauses	NO	NO

Are such clauses disclosed to the General Meeting of Shareholders?	NO
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B.1.14 Please indicate procedure for determining the remuneration of the members of the Board of Directors and related clauses in the Articles of Association:

Procedure for determining the remuneration of the members of the Board of Directors and related clauses in the Articles of Association
As provided in article 41 of the Articles of the Association, the members of the Board of Directors are entitled to an annual fixed fee and to attendance fees, as well as to the reimbursement of travelling expenses. The above payments shall be compatible and separate from the remuneration or economic benefit of a labour nature to which any member of the Board of Directors may be entitled to for their service or work done other than for being a member of the Board of Directors. Both annual fixed fees and attendance fees, for attending Board and Committee meetings, are ratified by the General Meeting of Shareholders

Please state whether the Board in full reserves the right to decide on the following items:

At the proposal of the company's chief executive officer, the appointment or dismissal of senior executives and any compensatory arrangement.	YES
The remuneration of directors and, in the case of executive directors, additional remuneration for carrying out their executive duties and other conditions of their contracts.	YES

B.1.15 Please state whether the Board of Directors resolves a detailed policy on remuneration, please specify the issues it determines:

YES

The amount of fixed components, itemising, where appropriate, the attendance fees for the Board of Directors and Committees meetings and an estimate of the fixed annual fee resulting there from.	YES
Variable items	YES
The main features of pension plans, giving an estimate of the result or annual equivalent cost.	YES
The conditions to be met in the contracts of executive directors who are also senior managers.	YES

B.1.16 Please indicate whether the Board of Directors submits to the General Meeting of Shareholders, as a separate item of the agenda, and for consultative purposes, a report on the remuneration policy for Board members. If so, please explain which aspects of Board remuneration policy have been ratified by the General Meeting of Shareholders for future years; the main changes with respect to the policy applied this year as well as an overall summary of how the existing policy was applied this year. Please provide details of the role played by the Remuneration Committee, whether this Committee has hired the services of external advisers and, if so, who they were:

YES

Issues dealt with in the remuneration policy
The 2011 Annual General Meeting of Shareholders unanimously ratified to maintain as remuneration for each member of the Board of Directors: an annual fixed fee, and additions attendance fee for each meeting of the Board of Directors attended , and another attendance fee for each meeting of any Committee attended.

Role played by the Remunerations Committee
Apart from any other duty that the Board of Directors could entrust it with, one of the duties of the Remuneration Committee is to propose to the Board the remuneration system for the Executive Directors as regards to the amounts to be paid to them for their managerial work apart from other directorship payments; the periodical review of the remuneration system, to ensure its appropriateness and transparency. The Remuneration Committee shall also propose to the Board the remuneration system for the members of the Board in agreement with the Law and the Articles of Association.

Has this Committee hired the services of external advisors?	YES
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Name of External Advisor
Spencer Stuart

B.1.17 Please identify the members of the Board of Directors who are members of the Board of Directors, Executives or employees of companies holding a significant shareholding on the listed company and/or Group companies:

Name of the Director	Name of the Significant Shareholder	Position
MR MANUEL FERNANDEZ DE SOUSA-FARO	SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)	MEMBER OF THE BOARD
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	NOVA ARDARA EQUITIES, S.A. (FORMERLY JOSECHU, S.A.)	MEMBER OF THE BOARD

Please provide details of any relevant relationship other than the above, between Board members and significant shareholders and/or Group companies:

Name of the related Director

MR MANUEL FERNANDEZ DE SOUSA-FARO

Name of the related Significant Shareholder

SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)

Description of the relationship

Corporate

Name of the related Director

MR ALFONSO PAZ-ANDRADE RODRIGUEZ

Name of the related Significant Shareholder

NOVA ARDARA, S.A. (FORMERLY JOSECHU, S.A.)

Description of the relationship

Corporate

Name of the related Director

ICS HOLDINGS LTD.

Name of the related Significant Shareholder

MR MANUEL FERNANDEZ DE SOUSA-FARO

Description of the relationship

Corporate

Name of the related Director

INVERPESCA, S.A.

Name of the related Significant Shareholder

MR MANUEL FERNANDEZ DE SOUSA-FARO

Description of the relationship

Corporate

Name of the related Director

SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)

Name of the related Significant Shareholder

MR MANUEL FERNANDEZ DE SOUSA-FARO

Description of the relationship

Corporate

B.1.18 Please indicate if there has been any change in the Board of Directors Regulations:

NO

B.1.19 Please indicate procedure for the appointment, re-election, evaluation and removal of Board members. Please indicate competent bodies, steps to be followed and criteria for each procedure.

The General Meeting of Shareholders is the competent body to appoint persons, who may be shareholders or not, to rule, manage and represent the company as its permanent body. The persons so appointed will make up a Board of Directors consisting of not less than three members nor more than 15. Within those limits, the General Meeting of Shareholders shall determine the number of members of the Board of Directors.

The members of the Board are appointed for a five-year term and may be re-elected indefinitely if the General Meeting of Shareholders so resolves.

The Board of Directors, as the body that brings proposals to the General Meeting of Shareholders, shall see that the members of the Board, at any time, are the most appropriate to ensure an efficient performance.

The General Meeting of Shareholders may resolve, at any time, the removal of all or any member of the Board, and the appointment of the members to replace the directors so removed.

B.1.20 Please indicate under which circumstances a member of the Board of Directors is forced resign.

A member of the Board shall be forced to resign under the circumstances provided by Law or as provided in article 43 of the Articles of Association and article 17.2 of the Board of Directors Regulations.

B.1.21 Please indicate if the Chief Executive Office is also the Chairman of the Board. If so, please explain the measures adopted to limit any risk arising from the fact of a single person holding all authority.

YES

Measures adopted
The Board of Directors and the General Meeting of Shareholders are the controlling and supervising bodies

Please indicate if there are any rules authorising an independent director to request the calling of a Board meeting or the inclusion of new items in the agenda to coordinate and echo the concerns of the non-executive directors and to address the assessment by the Board of Directors.

NO

B.1.22 Is there any type of resolution that requires for its adoption, any special majority, other than that provided by law?

NO

Please indicate procedure for the adoption of resolutions by the Board of Directors, indicating, at least, minimum quorum and type of majority:

Description of the resolution:

There is quorum when more than half of the Board members attend a meeting, either in person or being represented by a proxy. Any resolution shall be adopted by absolute majority of members attending.

Quorum	%
More than half of the Board members (at least 7 out of 13)	53.84

Type of majority	%
Absolute majority of the Board members	51.00

B.1.23 Please explain if there is any special requirement, other than being a Director, to be appointed Chairman of the Board.

NO

B.1.24 Please indicate if the Chairman has a casting vote,

YES

Issues for which there is a casting vote
The casting vote is for any issue resolved by the Board of Directors

B.1.25 Please indicate if the Articles of Association or the Regulations of the Board of Directors set any age limit for being a director:

NO

Age limit – Chairman	Age limit – Managing Director	Age limit - Director
0	0	0

B.1.26 Please indicate if the Articles of Association or the Regulations of the Board of Directors set a limited tenure for independent directors:

NO

Maximum tenure (in years)	0
----------------------------------	---

B.1.27 In case there are few women or none in the Board, please explain why and indicate initiatives taken to correct the situation.

In particular, please indicate if the Appointments and Remuneration Committee has set some procedure so that selection processes do not implicitly hinder the selection of female directors, but try to find the appropriate female candidate to meet the required profile.

NO

B.1.28 Please indicate if there is any formal procedure for vote delegation within the board of directors. If so, please provide a short description.

No, there is not any.

B.1.29 Please indicate number of meetings of the Board during the year. Also, please indicate how many of these meeting were not attended by the Chairman.

Number of Board meetings	8
Number of Board meetings not attended by the Chairman	0

Please indicate number of meetings of the different committees of the Board of Directors during the year:

Number of Executive Committee meetings	0
Number of Audit Committee meetings	2
Number of Appointments and Remuneration Committee meetings	3
Number of Appointments Committee meetings	0
Number of Remuneration Committee meetings	0

B.1.30 Please indicate number of meetings of the Board during the year, not attended by all members of the Board. For calculation purposes representations given without specific instructions are considered non-attendances.

Number of non-attendances	6
% on non attendances on total votes for the year	5.760

B.1.31 Please indicate if the individual and consolidated annual accounts that are presented to the Board for their ratification are previously certified.

NO

If yes, please indicated name of the person/s certifying the individual and consolidated annual accounts of the company for their ratification by the Board.

B.1.32 Please explain, if applicable, any mechanism set by the Board of Directors to prevent the individual and consolidated annual accounts prepared by the Board of Directors to be presented to the Annual General Meeting of Shareholders with a qualified opinion from the auditors.

The Audit Committee is responsible for any issue regarding the auditing of annual accounts, and therefore it should report to the Board of Directors about any possible qualified opinion from the auditors so that, if necessary, the annual accounts can be prepared again.

B.1.33 Is the secretary of the Board a Board member?

NO

B.1.34 Please explain procedure for the appointment and removal of the Secretary of the Board, please also indicate if such appointment and removal have been reported by the Appointments Committee and ratified by the Board in full.

Does the Appointment Committee report on the appointment of the Secretary of the Board?	YES
Does the Appointment Committee report on the removal of the Secretary of the Board?	YES
Does the full Board ratify the appointment of the Secretary?	YES
Does the full Board ratify the removal of the Secretary?	YES

Has the Secretary of the Board been, particularly, entrusted with the duty of meeting corporate governance recommendations?

NO

B.1.35 Please indicate any mechanism set by the company to preserve the independence of auditors, financial analysts, investment banks and rating agencies.

One the duties of the Audit Committee is the relationship with external auditors, who have to report about any matter that could hinder their independence.

B.1.36 Please indicate if the Company has changed its external auditor during the year. If so, please identify the former and the new auditor.

NO

Former Auditor	New Auditor

If there has been any disagreement with the former auditor, please explain the same.

NO

B.1.37 Please indicate if the auditing firm carries out, for the company and/or group of companies, any task other than the accounts auditing and, if so, please indicate amount of the fees paid for such work and the percentage it represents on the total fees invoiced to the company and/or group of companies.

YES

	Company	Group Companies	Total
Fees paid for work other than accounts auditing (in thousands of euros)	40	20	60
Fees paid for work other than accounts auditing/total invoiced by the auditing firm (shown as %)	38,460	2,870	7,490

B.1.38 Please indicate if the audit report on the annual accounts of the previous year includes a qualified opinion. If so, please indicate reasons given by the Chairman of the Audit Committee to explain the contents and scope of such qualified opinion.

NO

B.1.39 Please indicate number of years in which the current auditing firm has been uninterruptedly undertaking the auditing of the annual accounts of the company and/or group of companies. Also please indicate percentage represented by the number of years audited by the current auditing firm on the total number of years in which annual accounts have been audited:

	Company	Group of Companies
Number of years uninterruptedly undertaking the auditing of the annual accounts	10	10

	Company	Group of Companies
Number of years in with the current auditing firm has been undertaking the auditing of the annual accounts/number of years in which annual accounts have been audited (shown as %)	57.2	55.6

B.1.40 Please indicate any share held by members of the Board in the capital of companies whose activity is similar, comparable or supplementary to the activity of the company and group of companies, about which the company has been made aware of. Also, please indicate position or tasks undertaken in such companies:

B.1.41 Please indicate if there is any procedure for the directors to have external advice and, if so, please provide details:

YES

Details of the procedure
The directors are entitled to ask for advice about any aspect of the company provided it is required for undertaking their duties

B.1.42 Please indicate if there is any procedure for making available to the directors the required information so that they have time enough to prepare board meetings and, if so, please provide details:

YES

Details of the procedure
The directors are entitled to ask the Chairman of the Board for any information required, and the Chairman will either provide such information himself or arrange for the appropriate person to provide it.

B.1.43 Please indicate if the Company has set rules to require the members of the Board to report on certain events that could damage the credit and reputation worthiness of the Company, and if applicable, require them to resign, if so, please provide details:

YES

Details of the rules
Article 17.2b) of the regulations of the Board of Directors provides that: Directors shall vacate their office and formalise their resignation if their permanence as member of the Board may jeopardize the interests of the Company or if it adversely affects the credit and reputation worthiness of the Company, or affect the proceedings of the Board

B.1.44 Please indicate if any member of the Board has reported to the Company about him/her being prosecuted or involved in oral proceedings, related to any of the crime included in article 124 of the Companies Law.

NO

If yes, please indicate if the Board of Directors has analysed the case and explain decision taken regarding the director's permanence in or removal from the Board.

NO

Decision taken	Explanation

B.2. Committees within the Board of Directors:

B.2.1. Please provide details of all the Committees and their members:

AUDIT COMMITTEE

Name	Position	Type of Director
ICS HOLDINGS LTD.	CHAIRMAN	NON-EXECUTIVE PROPRIETARY DIRECTOR
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	MEMBER OF THE COMMITTEE	NON-EXECUTIVE PROPRIETARY DIRECTOR
MR ROBERT ALBERT WILLIAMS	SECRETARY - MEMBER OF THE COMMITTEE	NON-EXECUTIVE INDEPENDENT DIRECTOR

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type of Director
MR ANTONIO BASAGOITI GARCÍA-TUÑÓN	CHAIRMAN	NON-EXECUTIVE INDEPENDENT DIRECTOR
MR ROBERT ALBERT WILLIAMS	MEMBER OF THE COMMITTEE	NON-EXECUTIVE INDEPENDENT DIRECTOR
ICS HOLDINGS LTD	SECRETARY - MEMBER OF THE COMMITTEE	NON-EXECUTIVE PROPRIETARY DIRECTOR

B.2.2 Please indicate if the Audit Committee has the following duties:

Supervise the procedure for the preparation and truthfulness of the financial information of the Company, and, if applicable, the Group of Companies, complying with applicable regulations, the appropriateness of the consolidation scope, and correct application of accounting standards	YES
Periodical review of internal control systems and risks management, so that main risks are appropriately identified, managed and reported	YES
Safeguard the independence and efficiency of internal audit; suggest the selection, appointment, re-election and removal of the person in charge of internal audit; propose the budget for this service; receive periodical information about its activities; verify that senior managers take into account the conclusions and recommendations of its reports.	YES
Establish and supervise a mechanism to allow employees to report, confidentially and, if considered appropriate, anonymously, any potentially important irregularity, and particularly of a finance and accounting nature, noticed in the Company	NO
Propose to the Board of Directors the selection, appointment, re-election, and replacement of the external auditor, as well as hiring terms and conditions	YES
Receive, on a regular basis, from the external auditor information on the auditing plan and results of the auditing work; and verify that senior executives take into account its recommendation.	YES
Ensure the independence of the external auditor	YES
In case of groups of companies, favour that the auditor for the Group assumes the responsibility of the auditing of the companies that make up the Group of Companies	YES

B.2.3 Please describe organisation and operation rules, as well as the responsibilities of each Committee in the Board of Directors:

Name of the Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Short Description

The Remuneration Committee consists of three members of the Board; none of them are executive directors. The Board of Directors appoints the Chairman and Secretary of the Committee.

The Committee shall meet every time the Board of Directors or its Chairman so request and, at least, once a year.

There will be quorum when attended, in person or represented, by at least two members. The adoption of any resolution will require the approval by the majority of the members of the Committee. In the event of an equality of votes, the Chairman, or the person acting as such, shall have a casting vote.

Apart from their fixed fee and attendance fees to which they are entitled as members of the Board, the members of the Audit Committee shall be entitled to an attendance fee as well as the reimbursement of their travelling expenses.

Name of the Committee

AUDIT COMMITTEE

Short Description

The Audit Committee is ruled by the following organisation and operating rules:

The Audit Committee consists of 3 members. The majority of the Board members appointed to be members of this Committee must be non-executive directors. The term of office shall be four years. The members of the Committee may be re-elected for periods of the same duration, except for the Chairman that has to be replaced every four years, though eligible for being re-elected after one year of vacating his office. If a Director ceases to be so he shall also cease to be a member of the Audit Committee. If there is any vacancy, for any reason, during their term of office, such vacancy shall be filled by the appointment of another member at the next Board Meeting.

The Board of Directors shall appoint one of their number to act as Chairman, and another to act as Secretary. The Chairmanship is to be held by a non-executive director. The Chairman of the Committee is in charge of convening meetings of the Audit Committee when considered appropriate and/or when requested by two of its members. These meetings are to be held at the registered office of the company. The Secretary, with the approval of the Chairman, shall certify the resolutions adopted by the Committee and be responsible for the drawing of minutes of the meetings. A meeting shall be considered validly constituted when attended by at least two members. The attendance may be in person or by giving their proxy, which shall be specific for each meeting, to other member of the Committee attending the meeting.

The adoption of any resolution will require the approval by the majority of the members of the Committee. In the event of an equality of votes, the Chairman shall have a casting vote. Apart from their fixed fee and attendance fees to which they are entitled as members of the Board, the members of the Audit Committee shall be entitled to an attendance fee as well as the reimbursement of their travelling expenses.

[B.2.4. Please indicate the advisory, consultative and if applicable delegated authority that each Committee have:](#)

Name of the Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Short Description

Regardless any other duty that the Board of Directory may assign, one of the duties of the Remuneration Committee is to propose to the Board the remuneration system for the Executive Directors as regards to the amounts to be paid to them for their managerial work apart from other directorship payments; the periodical review of the remuneration system, to ensure its appropriateness and transparency.

The Remuneration Committee shall also propose to the Board the remuneration system for the members of the Board in agreement with the Law and the Articles of Association.

Name of the Committee

AUDIT COMMITTEE

Short Description

Report to the General Meeting of Shareholders about any issue for which they are responsible.

Propose to the Board of Directors, for it to submit it to the General Meeting of Shareholders the appointment of external auditors as provided in article 204 of the New Wording of the Companies Law, passed by Royal Decree 1564/1989 of 22 December.

Supervise the internal audit services, in case there is such body within the Company.

Get to know the financial reporting processes, and the internal control systems within the Company.

Relate with the external auditors to receive information regarding issues that could hinder their independence and any other issue related to the auditing work, as well as any other notices/disclosures as provided in the accounts auditing regulations and technical auditing standards.

Any other duty which pursuant to the law could correspond to this committee.

B.2.5. Please indicate if there are any regulations governing the different committees within the Board of Directors, and if so where they are available for consultation, as well as if there has been any amendment to the same during the financial year. Also, please indicate if the company has voluntarily prepared an annual report on the activities of each committee.

Name of the Committee

AUDIT COMMITTEE

Short Description

The regulations governing the Audit Committee are contained in the First additional Disposition to the Articles of Association which can be downloaded from the web site of the Company. These regulations were ratified by the Annual General Meeting in 2003. The regulations governing the Board of Directors also contain certain dispositions related to that Committee.

The notes to the consolidated annual accounts for the financial year include under "other disclosures" a report on the Audit Committee regarding its duties and activities carried out.

B.2.6. Please indicate if the composition of the Executive Committee shows the share of the different types of directors in the Board:

NO

If not, please explain the composition of the Executive Committee
THERE IS NO EXECUTIVE COMMITTEE

C. TRANSACTIONS WITH RELATED PARTIES

- C.1. Please indicate whether the full Board of Directors has the right to ratify, after having a favourable report from the Audit Committee or any other Committee asked to do so, any transaction between the Company and Board members, significant Shareholders or Shareholders represented in the Board, or with any other person related to them:

NO

- C.2. Please provide details of any relevant transaction which represents the transfer of resources or liabilities between the Company, Group of Companies and significant shareholders of the company:

- C.3. Please provide details of any relevant transaction which represents the transfer of resources or liabilities between the Company or Group Companies and the Directors or Executives of the company:

Name of Director or Executive	Name of the Company or Group Company	Nature of the transaction	Type of transaction	Amount (in thousands of Euros)
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	INSUIÑA, S.A.	Agreement, through EBN Banco	Finance, loan, and capital contribution agreements (acting as lender)	2,000
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	PESCANOVA, S.A.	Agreement, through EBN Banco	Finance, loan, and capital contribution agreements (acting as lender)	18,170

- C.4. Please indicate any relevant transaction between the Company and other Group Companies, provided these are not eliminated in the process for the preparation of consolidated financial statements and are not part of the usual business of the Company:

- C.5. Please indicate if the members of the Board of Directors have been, at any time during the year, involved in any conflict of interests situation, as provided in article 127 ter of the Companies Law.

NO

- C.6. Please detail mechanism established to detect, determine and solve possible conflicts of interests between the Company and/or its Group of Companies and their Directors, executives or significant shareholders.

Both, the Internal Code of Conduct and the Regulations of the Board provide the rules for solving conflicts of interests as provided in legislation in force.

C.7. Is more than one Group Companies listed on the Spanish Stock Exchange?

NO

Please give names of the listed subsidiary companies.

D. RISK CONTROL SYSTEMS

D.1. Please provide an overview of the company and/or group's risk management policy giving details and an assessment of the risks covered and explanation of how the system caters for different types of risk:

Within the scope of financial risk the Company, through the preparation of the annual accounts for its review by the Audit Committee and external auditors, sets the necessary devices to cover those risks.

The Company, taking into account the nature of its business, has taken appropriate insurance policies with first rated insurance companies to cover hull (vessels), machinery damage, energy co-generation, frozen and chilled products, transport of goods, employees accidents, civil liability, international protection and indemnity, credit against customers, loss of profit and sundry damages (fire, theft, etc.).

D.2. Please indicate whether any of the risks affecting the Company and/or the Group of Companies (i.e., operating risk, technology risk, financial risk, legal risk, reputational risk, tax risk, etc.) has been materialised in the course of the year:

NO

If yes, indicate the circumstances giving rise to the same and indicate whether the control systems in place have worked.

D.3. Please indicate if there is any committee or supervisory body entrusted with setting up and monitoring these control mechanisms.

YES

If yes, please give details of its duties:

Name of the committee or body

AUDIT COMMITTEE

Description

Among its duties, the Audit Committee gets to know the financial reporting processes and the internal control systems within the Company and it also supervises the internal auditing systems, and at the same time relates with external auditors.

- D.4. Please identify and describe processes to verify compliance with the different regulations affecting the Company and/or Group of Companies.

The external auditor, as part of its audit work, studies and assesses the internal control systems in order to determine the nature, time and extent of the audit procedures, and issues relevant recommendations to improve them.

E. GENERAL MEETING OF SHAREHOLDERS

- E.1. Please indicate whether there is any difference between the minimum quorum provided by the Companies Law and the quorum for the Company's General Meeting of Shareholders, if so, please provide details.

YES

	Quorum % different to the quorum provided in article 102 of the Companies Law for general assumptions	Quorum % different to the quorum provided in article 103 of the Companies Law for special cases
Required quorum in first calling	50.000	0
Required quorum in second calling	0	0

Differences description
As provided in the Articles of Association of Pescanova, S.A. there will be quorum at any general meeting of shareholders, either annual or extraordinary, in first calling, if attended by at least 50 per cent of the holders of subscribed capital with right to vote either in person or represented by proxy.

- E.2. Please indicate whether there is any difference between the minimum quorum provided by the Companies Law and the quorum for the Company's General Meeting of Shareholders for the adoption of resolutions.

NO

Please describe the differences in respect of the Companies Law.

E.3. Please list shareholders rights regarding general meetings other than those provided in the Companies Law.

The Articles of Association do not set any limitation to the rights provided in the Companies Law except for the requirement of holding 100 shares to be entitled to attend the General Meeting.

The Articles of Association provide the possibility of vote by remote means of communication.

E.4. Please indicate measures adopted to promote the participation of shareholders at general meetings.

Apart from the mechanism provided by law and the articles of association, the Company has an IR line, telephone number 986 81 81 26, as noted on the company's web page, for enquires about the general meeting.

E.5. Please indicate if the Chairman of the General Meeting of Shareholders and the Chairman of the Board of Directors is the same person. If so, please provide details of measures adopted to guarantee the independence and good performance of the General Meeting of Shareholders:

YES

Measures adopted
General Meetings of Shareholders are held as provided by Law and the Articles of Association, and it has its own Regulations adopted to enforce the required measures for a good performance

E.6. Please indicate, if applicable, any amendment in the regulations of the General Meeting of Shareholders during the year.

The Regulations ruling the General Meeting of Shareholders were ratified by the General Meeting of Shareholders held on 20 April 2004 and at the meeting held on 28 April 2006, it was resolved to amend article number five. In 2011 there has been no amendment.

E.7 Please indicate attendance data of the General Meetings of Shareholders in the year to which this report refers:

Attendance data					
Date of the General Meeting	% attendance in person	% represented by proxy	% remote voting		Total
			Electronic Vote	Other	
08/04/2011	60,258	6.017	0.001	0.000	66,276

E.8 Please detail briefly the resolutions adopted at the General Meetings of Shareholders held in the year to with this report refers, and voting percentage for the adoption of each of them:

Annual General Meeting of Shareholders held on 8 April 2010.

Shareholders in general meeting unanimously resolved:

The ratification of the 2010 Annual Accounts of Pescanova,S.A. and the Consolidated Annual Accounts of the Pescanova Group of Companies.

The 2010 profit Distribution, payment of a gross dividend of 0.50 euros per share.

The re-election of BDO Audiberia Auditores, S.L. as auditors for Pescanova, S.A. and its Group of Companies.

The re-election as director of Liquidambar Inversiones Financieras, S.A. (represented by Mr Francisco Javier Soriano Arosa), Sociedad Gallega de Importación de Carbones, S.A. (represented by (Mr Jesús García García) and Iberfomento, S.A. (represented by Mr José Antonio Pérez-Nievas Heredero).

To authorise the Board of Directors so that within the following five years the Board is entitled to acquire, in any lawful manner, shares of the company, either directly o through Group companies, as well as to dispose or later redeem the said shares, delegating on the Board of Directors the required authorities for the execution of the resolutions adopted by the Annual General Meeting of Shareholders in this respect.

To authorise the Board, with express authority of substitution, so that in the following five years it is entitled to issue bonds, debentures, preference shares and any other similar fixed income securities (other than promissory notes) , either simple or secured, not convertible into shares for an amount not higher than 250 million euros or equivalent amount in foreign currency; as well as to issue promissory notes whose outstanding balance at any time cannot be higher than 250 million euros or equivalent amount in foreign currency (being this the limit regardless the provision in the above paragraph), in the manner and conditions to be freely determined by the Board.

To authorise the Board, with express authority of substitution, so that in the following five years the Board is entitled to issue and put in circulation, in one or several times, debentures and other similar fixed income securities convertible into or exchangeable for shares and for the issue of warrants which can be related to each issue of debentures, bonds and other simple fixed income securities issued pursuant the above mentioned authorisations, or to other loans or financial instruments pursuant to which the Company acknowledges or creates debt) for an amount not higher than 250 million euros in the manner and conditions to be freely determined by the Board. In the case of warrants, for the calculation of the above limit, the premium and exercise price for each issue shall be taken into consideration.

To authorise the Board so that within the following five years, and in compliance with any lawful requirement, it is entitled to increase the share capital, in on or several times, up to maximum of 58,341,762 euros (half of the share capital at the time of this authorisation), with or without premium and at the time and for the amount considered appropriate and to change article 7 of the Articles of Association accordingly.

Delegate authority, on Mr Manuel Fernández de Sousa-Faro and Mr César Mata Moretón, to formalise the above mentioned resolutions and the filling of the annual accounts with the Companies Registration Office.

Appointment of representatives and drawing of the minutes of the Annual General Meeting, which were ratified as true record on 8 April 2011.

- E.9 Please indicate whether there is any restriction in the Articles of Association requiring a minimum number of shares to be entitled to attend General Meetings of Shareholders

YES

Number of shares required to be held to be entitled to attend General Meetings of Shareholders	100
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- E.10 Please indicate and explain the Company's policy on proxy voting at General Meetings of Shareholders.

Proxy voting is ruled by law and the Articles of Association. The General Meeting of Shareholders ratified the amendment of the Articles of Association to allow the delegation by remote means of communication.

- E.11 Please indicate whether the Company is aware of the policy followed by institutional investors regarding participation or not on Company's decisions:

NO

- E.12. Please give the address and how to of access to corporate governance information in the Company's website:

www.pescanova.com

F.- LEVEL OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Please indicate the company's level of compliance with the recommendations of the Unified Good Corporate Governance Code. If the company does not comply with some of such recommendations, please explain the recommendations, standards, practices or criteria applied by the Company.

- 1.- The Articles of Association of listed companies do not limit the maximum number of votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of the acquisition of its shares on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2.

Compliant

2. Whenever a Parent Company and a subsidiary company are listed companies, they both provide detailed public disclosure on:

- a) Their respective areas of activity, and any business dealings between them, as well as between the subsidiary listed company and other companies belonging to the group;
- b) The mechanisms in place to solve any conflicts of interest that may arise.

See sections: C.4 and C.7

Not applicable

3. Even when not expressly required under applicable commercial Laws, transactions involving a structural change of the company and, in particular, the following, are submitted to the shareholders at the General Meeting of Shareholders for approval:

- a) The transformation of listed companies into holding companies through subsidiarisation, or reallocation of core activities to subsidiary companies that were previously carried out by the company itself, even if the latter retains full ownership of the former;
- b) The acquisition or disposal of key operating assets, when it involves an actual change in the corporate purpose;
- c) Transactions whose effect is to the liquidation of the company.

Explanation

Taking into account the different assumptions in this recommendation, and the relevance that in certain cases the opportunity and quickness in carrying out the transactions have, the criteria followed by the Company is to always comply with commercial laws and the articles of association, and if the Board considers it appropriate, the transaction could be submitted to the shareholders for approval or ratification.

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information to which recommendation 28 refers, are made public at the time of publication of the notice calling the General Meeting of Shareholders.

Compliant

5. Matters that are substantially independent are voted on separately at the General Meeting of Shareholders, in order to allow the shareholders to express their voting preferences separately. This rule applies, in particular, to:

- a) The appointment or ratification of directors, which shall be voted on individually;
- b) In the event of amendments of the Articles of Associations, to each article or group of articles that are substantially independent of one another.

See section: E.8

Partially Compliant

As a general rule the Company complies with commercial laws and the Articles of Association, indicating independent issues as separate items in the agenda. Since the appointment or ratification of directors requires to be unanimously proposed by the corresponding body, it is not considered necessary to vote on them individually.

6. Companies allow split votes so financial intermediaries who are recorded as having shareholder status but act for the account of different clients can divide their votes in accordance with the instructions given by such clients.

See section: E.4

Explanation

Article 9 of the General Meeting of Shareholders Regulations expressly prohibits the split of shares in order to confer several representations, and can only be represented by another shareholder.

7. The Board performs its duties with a unity of purpose and independent judgment, affording equal treatment to all shareholders in furtherance of the corporate interests, which shall be understood to mean the optimization, in a sustained fashion, of the financial value of the Company.

It likewise ensures that in its dealings with stakeholders, the Company abides by the laws and regulations, fulfils its obligations and contracts in good faith, respects the customs and good practices of the industries and territories in which it carries on its business, and upholds any other social responsibility standards to which it has voluntarily adhered.

Compliant

- 8.- The Board assumes responsibility, as its core mission, for approving the Company's strategy and the organization required to put it into practice, and to ensure that Management meets the objectives set while pursuing the Company's interest and corporate purpose. As such, the full Board reserves for itself the right to approve:

- a) The company's policies and general lines of strategy, and in particular:

- i) The strategic or business Plan as well as the management targets and annual budgets;
- ii) The investment and financing policy;
- iii) The design of the structure of the group of companies;
- iv) The corporate governance policy;
- v) The corporate social responsibility policy;
- vi) The policy for compensation and assessment of the performance of senior managers;
- vii) The risk control and management policy, as well as the periodic monitoring of internal information and control systems.
- viii) The dividend policy and the policy regarding treasury stock and, especially, the limits thereto.

See sections: B.1.10, B.1.13, B.1.14 and D.3

- b) The following decisions:

- i) At the proposal of the chief executive officer of the Company, the appointment and, if applicable, removal of senior managers, as well as their severance packages.

See section: B.1.14.

- ii) The compensation of directors and, in the case of executive directors, the additional remuneration to be paid for their executive duties and other terms of their contracts.

See section: B.1.14.

- iii) The financial information that the Company must periodically disclose for being a listed company.
- iv) Investments or transactions of all kinds which are strategic in nature due to the large amount or special characteristics thereof, unless approval thereof falls upon the shareholders at General Meeting.
- v) The creation or acquisition of interests in special-purpose entities or entities registered in countries or territories regarded as tax havens, as well as any other transactions or operations of a similar nature whose complexity might impair the transparency of the group of companies.

- c) Transactions made by the company with directors, with significant shareholders or shareholders with Board representation, or with other persons related thereto ("transactions with related parties").

However, Board authorization need not be required in connection transactions with related parties that simultaneously meet the following three conditions:

- 1st They are governed by standard-form agreements applied on an entirely basis to a large number of clients;
- 2nd They are conducted at prices or rates generally set by the party acting as supplier of the goods or services in question;
- 3rd The amount thereof is no more than 1% of the Company's annual revenues.

It is recommended that related-party transactions only be approved by the Board upon the prior favourable report of the Audit Committee or such other committee handling the same function; and that the directors affected thereby should neither exercise nor delegate their votes, and should withdraw from the meeting room while the Board deliberates and votes on the transaction.

It is recommended that the powers granted herein to the Board are conferred without the power of delegation, except for those mentioned under b) and c) above, which may, for urgent reasons, be adopted by the Executive Committee subject to subsequent ratification by the full Board.

See sections: C.1 and C.6

Partially Compliant

This recommendation is substantially complied with however, dividends and own shares policies comply with commercial laws and the resolutions adopted by the General Meeting of Shareholders. The Company does not have an Executive Committee, but acts through attorneys-in-fact.

- 9.- In order to operate effectively and in a participatory manner, the Board ideally is comprised of no few than five and no more than fifteen members.

See section: B.1.1

Compliant

10. Non-executive directors, proprietary and independent, occupy an ample majority of the Board and the number of executive directors is the minimum necessary number, bearing in mind the complexity of the group of companies and the percentage interest held by the executive directors in the Company's share capital.

See sections: A.2 , A.3, B.1.3 and B.1.14.

Compliant

11. If there is non-executive director who cannot be considered either proprietary or independent, the company must explain such circumstance and the links such director maintains with the company or its managers or with its shareholders.

See section: B.1.3

Not Applicable

12. Among non-executive directors, the relation between the number of proprietary directors and independent directors shows the proportion existing between the share capital of the company represented by proprietary directors and the rest of its capital.

This strict proportion standard can be lessen so that the weight of proprietary directors is greater than would correspond to the total percentage of the share capital that they represent:

- 1) In large capitalisation companies where few or no equity stakes attain the legal threshold as significant, but there are shareholders holding interests with a high absolute value.
- 2) In companies with a plurality of shareholders represented on the Board but not otherwise related.

See sections: B.1.3 , A.2 and A.3

Explanation

There are no rules to quantify the number of Directors by type other than those provided in commercial laws. The presence of independent directors reconciles with the right of proprietary directors to take part in the management of the Company.

13. The number of independent directors represents at least one-third of the total number of directors.

See section: B.1.3

Explanation

There are no rules to quantify the number of Directors by type other than those provided in commercial laws. The composition of the Board of Directors will always be determined to fulfil the aim of an efficient performance.

14. The status of each director is explained by the Board at the General Meeting of Shareholders at which the shareholders are to make or ratify their appointment and that such status is confirmed or reviewed, as the case may be, annually in the Annual Corporate Governance Report, after verification by the Appointments Committee. Said report also discloses the reasons for the appointment of proprietary directors at the proposal of shareholders controlling less than 5% of the share capital, as well as the reasons for not having met formal petitions, if any, for presence on the Board from shareholders whose shareholding is equal to or greater than that of others at whose proposal proprietary directors have been appointed.

See sections: B.1.3 and B.1.4

Compliant

15. When female directors are few or non-existent, the Board explains the reasons for this situation and the measures taken to correct it; and in particular, the Appointments Committee takes steps to ensure that, when new vacancies are filled:

- a) Selection procedures do not have an implied bias that hinders the selection of female directors;
- b) The company deliberately looks for women with the target professional profile and includes them among the potential candidates.

See sections: B.1.2, B.1.27 and B.2.3.

Partially Compliant

There are no rules to quantify the number of Directors by type other than those provided in commercial laws. There is already a female Director in the Board of Directors of the Company. The composition of the Board of Directors will always be determined to fulfil the aim of an efficient performance, there is not any deliberate policy regarding Board composition.

16. The Chairman, as the person responsible for the effective operation of the Board, ensures that directors receive adequate information in advance of Board meetings; promotes debate and the active involvement of directors during Board meetings; safeguards their rights to freely take a position and express their opinion; and, working with the chairmen of the appropriate committees, organises and coordinates regular evaluations of the Board and, where appropriate, the Managing Director or Chief Executive Officer.

See section: B.1.42

Compliant

17. When the Chairman of the Board is also the chief executive officer of the company, one of the independent directors is authorised to request the calling of a Board meeting or the inclusion of new items in the agenda; to coordinate and hear the concerns of non-executive directors; and to lead the Board's evaluation of the Chairman.

See section: B.1.21

Explanation

As provided in article 13.1 of the Board of Directors Regulations, the Chairman of the Board, if so is requested by at least three members of the Board, shall call a Board meeting, and its agenda shall include the items requested by the Directors.

18. The Secretary of the Board takes particular care to ensure that the Board's actions:

- a) Adhere to the wording and the spirit of laws and their implementing regulations, including those approved by the regulatory authorities;
- b) Comply with the Articles of Association of the company, General Meeting of Shareholders' Regulations, Board of Directors Regulations and other regulations of the company;
- c) Are made aware of good governance recommendations included in this Unified Code as the company has subscribed to. And, in order to safeguard the independence, impartiality and professionalism of the Secretary, his/her appointment and removal are reported by the Appointments Committee and approved by the full Board; and that such appointment and removal procedures are set forth in the Board of Directors Regulations.

See section: B.1.34

Partially Compliant

The Company has a Legal Advisor, who attends General meetings of Shareholders and Board Meetings. As provided in Article 9.1 of the Board of Directors Regulations, it is the Board in full who appoints and removes its Secretary, even when it is not expressly stated in the Board of Directors Regulations.

19. The Board meets with the frequency required to perform its duties efficiently, in accordance with the calendar and agendas set at the beginning of the financial year, and that each Director is entitled to propose items of the agenda that were not originally included therein.

See section: B.1.29

Compliant

20. Directors' absences are limited to unavoidable cases and are quantified in the Annual Corporate Governance Report. When there is no choice but to grant a proxy, this is granted with instructions.

See sections: B.1.28 and B.1.30

Compliant

21. When any Director or the Secretary express concerns about a proposal or, in the case of the directors, regarding the running of the company, and such concerns have not been resolved at a Board meeting, such concerns are recorded in the minutes at the request of the person expressing them.

Not Applicable

22. The full Board evaluates the following on a yearly basis:

- a) The quality and efficiency of the Board's performance;
- b) On the basis of a report submitted to it by the Appointments Committee, how well the Chairman and chief executive of the company have carried out their duties;

- c) The performance of its Committees, on the basis of the reports furnished by them.

See section: B.1.19

Compliant

23. All directors are able to exercise the right to request any additional information they require on matters within the Board's competence. Unless the Articles of Association or the Regulations of the Board provide otherwise, such requests are addressed to the Chairman or the Secretary of the Board.

See section: B.1.42

Compliant

24. All directors are entitled to call on the company for the advice they need to carry out their duties. The company provides suitable channels for the exercise of this right, which, in special circumstances, may include external advice at the company's expense.

See section: B.1.41

Compliant

25. Companies are to organise guidance programs for new Directors to rapidly and adequately acquaint them with the Company and its corporate governance rules. Directors are also offered refreshment programs when circumstances so advise.

Compliant

26. Companies require that directors devote sufficient time and effort to perform their duties efficiently, and, as such:

- a) Directors shall report to the Appointments Committee about their other professional duties, in case they might interfere with the required dedication;
- b) Companies lay down rules about the number of boards at which their directors may sit.

See sections: B.1.8, B.1.9 and B.1.17

Partially Compliant

As provided in article 26 of the Board of Directors Regulations, a Director must report to the Company any event or situation that could be relevant for the fulfilment of his/her role as director. Therefore there are no set rules, and the number of boards at which a director may sit could be assessed for each particular case as a potential relevant event.

27. The proposal for the appointment or re-election of directors that the Board submits to the shareholders at their General Meeting, as well as the interim appointment of directors to fill vacancies, is approved by the Board:

- a) At the proposal of the Appointments Committee, in the case of independent directors.
- b) Subject to a prior report from the Appointments Committee, in the case of other directors.

See section: B.1.2

Compliant

28. Companies post the following director information on their websites, and keep such information updated:

- a) Professional and biographical profile;

- b) Other Boards of Directors of listed or unlisted companies at which they sit;
- c) Indication of the director's classification, specifying, for proprietary directors, the shareholder they represent or to whom they are related.
- d) Date of their first and subsequent appointments as a company director; and
- e) Shares held in the company and options thereon held by them.

Compliant

29. Independent directors do not hold office as such for a continuous period of more than 12 years:

See section: B.1.2

Explanation

There are no rules setting office duration for Directors or regarding the number of times they may be re-elected other than those provided in the commercial laws. The composition of the Board of Directors will always be determined to fulfil the aim of an efficient performance.

30. Proprietary directors tender their resignation when the shareholder they represent sells its entire shareholding interest. The appropriate number of them do likewise when such shareholder reduces its interest to a level that requires the reduction of the number of its proprietary directors.

See sections: A.2, A.3 and B.1.2

Explanation

It will depend. Article 17 of the Board of Directors Regulations set the assumptions when Directors shall vacate their office and formalise their resignation, these assumptions include that the permanence as a member of the Board of Directors jeopardises the interests of the Company or if it adversely affects the credit and reputation of the Company, or affect the operation of the Board.

31. The Board of Directors does not propose the removal of any independent director prior to the expiration of the term, set by the Articles of Association, for which he/she was appointed, except if a good reason is found by the Board upon a prior report of the Appointments Committee. In particular, good reason shall be deemed to exist whenever the director has failed to perform the duties inherent to his/her position or comes under any of the circumstances described in section III.5 (Definitions) of this Code.

The removal of independent directors may also be proposed as a result of Takeover Bids, mergers or similar transactions that entail a change in the equity structure of the Company, when such changes in the structure of the Board arise from the compliance with the proportionality standard mentioned in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Explanation

There are no rules setting office duration for Directors or regarding the number of times they may be re-elected other than those provided in the commercial laws. The composition of the Board of Directors will always be determined to fulfil the aim of an efficient performance.

In addition, article 17 of the Board of Directors Regulations set the assumptions when Directors shall vacate their office and formalise their resignation, these assumptions include that the permanence as a member of the Board of Directors jeopardises the interests of the Company or if it adversely affects the credit and reputation of the Company, or affect the operation of the Board.

32. Companies establish rules obliging directors to report and, if appropriate, to resign in those instances as a result of which the credit and reputation of the company might be damaged and, in particular, they require that such directors report to the Board about any criminal charges brought against them, and the progress of any subsequent proceedings.

If a director is indicted or tried for any of the crimes described in Section 124 of the Companies Law, the Board examines the matter as soon as practicable and, in view of the particular circumstances thereof, decides whether or not it is appropriate for the director to continue to hold office. And the Board provides a substantiated account thereof in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Partially Compliant

It will depend. Article 17 of the Board of Directors Regulations set the assumptions when Directors shall vacate their office and formalise their resignation, these assumptions include that the permanence as a member of the Board of Directors adversely affects the credit and reputation of the Company.

33. All directors clearly express their opposition when they feel that any proposed resolution submitted to the Board might be contrary to the best interests of the company. And in particular, independent directors and other directors not affected by a potential conflict of interest do likewise in the case of decisions that could be detrimental to the shareholders who are not represented in the Board of Directors.

And that when the Board adopts material or reiterated resolutions about which a director has expressed serious reservations, such director draws the pertinent conclusions and, if he chooses to resign, sets out the reasons in the letter referred to in the next Recommendation.

This Recommendation also applies to the Secretary of the Board, even if he/she is not a director.

Not Applicable

34. Directors who give up their place before their tenure expires, through resignation or otherwise, explain the reasons in a letter sent to all members of the Board. Without prejudice to such termination being communicated as a relevant event, the reason for the termination is explained in the Annual Corporate Governance Report.

See section: B.1.5

Compliant

35. The remunerations policy approved by the Board specifies at least the following points:

- a) The amount of the fixed components, with a breakdown showing attendance fees, if any, for attending Board and its Committees meeting and an estimate of the fixed annual remuneration;
- b) Variable items, including, in particular:
 - i) The type of directors to which they apply, as well as an explanation of the relative weight of variable to fixed items.
 - ii) Performance evaluation criteria used to calculate entitlement to remuneration in shares, share options or any other variable component;
 - iii) Main parameters and grounds for any system of annual bonuses or other non-cash benefits; and
 - iv) An estimate of the absolute amount of variable remuneration arising from the proposed remuneration plan, as a function of the degree of compliance with benchmark assumptions or targets.
- c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar systems), with an estimate of the amount thereof or the equivalent annual cost.
- d) Terms and conditions that must be included in the contracts of executive directors performing senior management duties, which shall include:

- i) Duration;
- ii) Notice periods; and
- iii) Any other provisions relating to hiring bonuses, as well as indemnity or golden parachute provisions in the event of early or other termination of the contractual relationship between the company and the executive director.

See section: B.1.15

Compliant

36. Remuneration paid by means of delivery of shares in the company or Group companies, share options or other instruments related to the price of the shares, and variable remuneration linked to the company's performance or pension schemes is restricted to executive directors.

This recommendation shall not apply to the delivery of shares when such delivery is subject to the condition that the directors shall hold the shares until they cease to be directors.

See sections: A.3 and B.1.3

Compliant

37. The remuneration of non-executive directors is such as is necessary to compensate them for the dedication, qualifications and responsibility required by their position, but is not so high as to compromise their independence.

Compliant

38. Remuneration linked to company earnings takes into account any qualification included in the external auditor's report that reduce such earnings.

Compliant

39. In the case of variable remuneration, remuneration policies include technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries thereof and not simply the general performance of the markets or of the industry in which the company does business or similar circumstances.

Compliant

40. The Board of Directors submits a report on director remuneration policy to the vote of the shareholders at their General Meeting, as a separate item on the agenda and for advisory purposes. This report is made available to the shareholders separately or in any other manner that the Company deems appropriate.

Such report shall focus especially on the remuneration policy the Board has approved for the current year, as well as on the policy, if any, established for future years. It shall cover all the issues in Recommendation 35, except for those that could mean the disclosure of sensitive trading information. It will emphasise the most significant changes in such policies with respect to the policy applied during the financial year prior to which the General Meeting of Shareholders refers. It shall also include an outline of the manner in which the remuneration policy was applied in such prior financial year.

The Board also reports on the role played by the Remunerations Committee in the preparation of the remuneration policy and, if external advice was provided, it states the name of the external advisors that have given such advice.

See section: B.1.16

Compliant

41. The Notes to the Financial Statements list the individual directors' remuneration during the financial year, including:
- a) A breakdown of the compensation of each director, to include where appropriate:
 - i) Attendance fees or other fixed fees received as a director;
 - ii) The additional remuneration received as chairman or member of a Board committee;
 - iii) Any remuneration received under profit-sharing or bonus schemes, and the reason for the accrual thereof;
 - iv) Contributions on the director's behalf to defined-contribution pension plans; or any increase in the director's vested rights, in the case of contributions to defined-benefit plans;
 - v) Any severance package agreed or paid;
 - vi) Any other remuneration received as a director of other group companies;
 - vii) Remuneration for the performance of senior management duties by executive directors;
 - viii) Any remuneration other than the above, of whatever nature and provenance within the group, especially when it is deemed to be a related-party transaction or when the omission thereof detracts from a true and fair view of the total remuneration received by the director.
 - b) A breakdown of any shares, share options or any other instrument related to the price of the shares delivered to directors, specifying:
 - i) Number of shares or options awarded during the year, and the terms and conditions for the exercise thereof;
 - ii) Number of options exercised during the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the end of the year, specifying their price, date and other requirements for exercise;
 - iv) Any change during the year in the terms for the exercise of previously-awarded options.
 - c) Information on the relationship, in such past financial year, between the remuneration received by executive directors and the profits or other performance measures of the company.

Explanation

Remuneration breakdown is done by type of director, as shown in the Annual Corporate Governance Report.

42. If there is an Executive Committee (hereinafter, "Executive Committee"), its composition, by type of director, is similar to that of the Board, and its secretary is the Secretary of the Board.

See sections: B.2.1 and B.2.6:

Not Applicable

43. The Board is always kept informed of the matters dealt with and the resolutions adopted by the Executive Committee, and all members of the Board receive a copy of the minutes of the meetings of the Executive Committee.

Not Applicable

44. Apart from the compulsory Audit Committee as provided in the Stock Exchange Act, the Board of Directors must also elect among its members either a single Appointments and Remuneration Committee or two separate committees, i.e. Appointments Committee and Remuneration Committee.

The rules governing the composition and operation of the Audit Committee and the Appointments and Remuneration Committee or committees are provided in the Regulations of the Board, and include the following:

- a) The Board appoints the members of such Committees, taking into account the background knowledge, qualifications and experience of the Directors and the responsibilities of each Committee, discusses its proposals and reports, and receives a report about their activities and work done at the first meeting of the full Board following the meetings of such committees.
- b) The members of these Committees are, exclusively, non-executive directors and consist of a minimum of three members. The foregoing is without prejudice to the attendance of executive directors or senior managers, when expressly resolved by the members of the Committee.
- c) The Chairman of such Committees is an independent director.
- d) They may receive external advice, whenever they consider it necessary to perform their duties.
- e) Minutes are prepared of their meetings, and a copy sent to all Board members.

See sections: B.2.1 and B.2.3

Partially Compliant

The recommendation is complied with, except for the fact that in 2007 as a consequence of the rotation of members for the Chairmanship of the Audit Committee, the Chairman of the Audit Committee is no longer an independent director but a proprietary director.

45. Supervising compliance with internal codes of conduct and corporate governance rules is entrusted to the Audit Committee, the Appointments Committee or, if there is a separate Compliance or Corporate Governance Committee, to the latter.

Explanation

The Board of Directors is in charge of such supervision.

46. The members of the Audit Committee and, particularly, its Chairman, are appointed taking into account their background knowledge and experience in accounting, auditing and risk management matters.

Compliant

47. Listed companies are required to have an internal audit scheme which, under the supervision of the Audit Committee, ensures the good operation of the reporting and internal control systems.

Compliant

48. The head of internal audit presents an annual work plan to the Audit Committee; reports to it directly on any issues arising in the execution of such plan; and submits an activities report to it at the end of each financial year.

Compliant

49. Risk control and management policy specifies at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, etc.) the company is exposed to, including contingent liabilities and other off-balance sheet risks among financial or economic risks.
- b) The determination of the risk level the company considers acceptable;
- c) Measures in place designed to mitigate the impact of the risks identified, should they materialize;

- d) The internal reporting and control systems to be used to monitor and manage the above risks, including contingent liabilities and off-balance sheet risks.

See section: D

Compliant

50. The role of the Audit Committee is to:

1. Regarding the internal control and reporting systems:

- a) Monitor the preparation and the truth of the financial information relating to the company and, if appropriate, to the group of companies, checking the compliance with legal requirements, the appropriate consolidation scope, and the correct application of accounting standards.
- b) Periodically review internal control and risk management systems so main risks are properly identified, managed and disclosed.
- c) Ensure the independence and efficiency of the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the budget for this service; receive regular reports on its activities; and verify that senior management takes into account the findings and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities.

2. With respect to the external auditor:

- a) Make recommendations to the Board for the selection, appointment, re-election and replacement of the external auditor, and the terms of auditor hiring.
- b) Receive regular information from the external auditor on the audit plan and the results of the implementation thereof, and check that senior management takes its recommendations into account.
- c) Monitor the independence of the external auditor, and for this purpose:
 - i) The company reports a change of auditor to the CNMV (Spanish Securities and Exchange Commission) as a relevant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the same.
 - ii) The Committee ensures that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, all other regulations established to safeguard the independence of auditors;
 - iii) In the event of resignation of the external auditor, the Committee investigates the circumstances that may have given rise thereto.
- d) In the case of a group of companies, the Committee favours that the auditor of the group assumes the responsibility for the audits of the companies that make up the same.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Partially Compliant

Most of the recommendations in this section are complied with; work is being done to set the appropriate channels of communication between the Committee and the Company.

51 The Audit Committee may ask any employee or manager of the Company to appear before it, and even ask for their appearance without the presence of any other manager.

Explanation

Audit Committee meetings are attended by the employees and managers of the Company that the Committee asks for, provided that these are the appropriate persons bearing in mind the issues in the agenda to be dealt with at the meeting.

52. The Audit Committee reports to the Board, prior to the adoption thereby of the corresponding decisions, on the following matters specified in Recommendation 8:

- a) The financial information that the Company must periodically disclose as a listed company. The Committee should ensure that interim financial statements are prepared under the same accounting standards as the annual financial statements and, to this end, consider whether a limited review by the external auditor is appropriate.
- b) The creation or acquisition of interests in special-purpose entities or entities registered in countries or territories considered tax havens, and any other transactions or operations of a similar nature whose complexity could lessen the transparency of the group.
- c) Related-party transactions, unless such prior reporting duty has been assigned to supervision and control committee.

See sections: B.2.2 and B.2.3

Partially Compliant

The Audit Committee reports to the Board on the financial information that the Company must periodically disclose. As regards to the other sections in this recommendation, no decision has been taken in 2010.

53. The Board of Directors seeks to present the financial statements to the shareholders at their General Meeting without a qualified opinion in the auditor's report and, in the exceptional case where this occurs, both the Chairman of the Audit Committee and the auditors give a clear account to the shareholders of the content and scope of such qualified opinion.

See section: B.1.38

Compliant

54. The majority of the members of the Appointments Committee –or of the Appointments and Remuneration Committee, if there is only one Committee – are independent directors.

See section: B.2.1

Compliant

55. The duties of the Appointments Committee, apart of those stated in foregoing Recommendations, are the following:

- a) Assess the qualifications, background knowledge and experience necessary to be a member of the Board, defining, accordingly, the duties and qualifications required for candidates to fill each vacancy, and decide on the time and dedication necessary for them to properly perform their duties.
- b) Examine or organize, in the manner it deems appropriate, the succession of the Chairman and the chief executive officer and, if appropriate, make proposals to the Board for such succession to take place in an orderly and well-planned manner.
- c) To report on senior manager appointments and removals that the chief executive proposes to the Board.
- d) To report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

Partially Compliant

This recommendation is complied with, however as regards to paragraph b) it is noted that article 7 of the Regulations of the Board of Directors state that in case the Chairman of the Board does not attend a meeting, the Director appointed by him to act as his alternate, if any, or the eldest director, shall act as chairman of that meeting.

56. The Appointments Committee seeks advice from the Chairman and chief executive officer of the Company, and particularly on matters relating to executive directors.

Any member of the Board may request the Appointments Committee to consider and to see if there are suitably qualified, possible candidates to fill vacancies for the position of director.

Compliant

57. The duties of the Remuneration Committee, apart of those stated in foregoing Recommendations, are the following:

- a) Propose to the Board of Directors:
 - i) The remuneration policy for directors and senior managers;
 - ii) The individual remuneration of executive directors as well as other terms of their contracts.
 - iii) The basic terms and conditions of the contracts for senior managers.
- b) Ensure compliance with the compensation policy set by the company.

See sections: B.1.14 and B.2.3

Compliant

58. The Remuneration Committee seeks advice from the Chairman and chief executive officer of the Company, and particularly on matters relating to executive directors and senior managers.

Compliant

G.- OTHER INFORMATION

If you believe that there is any relevant principle or aspect regarding the corporate governance practices applied by your company that has not been included in this Report, please mention it and explain it below.

In this section, you may include any other information, clarification or comment relating to the foregoing sections of this report.

Specifically, indicate whether the company is subject to laws other than Spanish laws regarding corporate governance and, if so, please include the information the company is required to provide different from the information required in this report.

Binding definition of independent director:

Indicate whether any of the independent directors has or has had any relationship with the company, its significant shareholders or its managers which, had it been sufficiently significant or important, would have resulted in the director not qualifying for consideration as independent pursuant to the definition set forth in sub-section 5 of the Unified Good Governance Code:

NO

Date and Signature

This annual corporate governance report was approved by the Board of Directors of the Company at the meeting held on

24/02/2012

Please indicate if any Director has voted against or abstained in connection with the approval of this Report.

NO