

**REPORT PREPARED BY THE BOARD OF DIRECTORS OF
PESCANOVA, S.A., PURSUANT TO ARTICLE 518 OF THE COMPANIES
LAW, REGARDING ITEM NUMBER 2 IN THE AGENDA THE AGENDA
FOR THE EXTRAORDINARY GENERAL MEETING OF
SHAREHOLDERS TO BE HELD ON 12 SEPTEMBER 2013 (ON FIRST
CALLING) OR ON 13 SEPTEMBER 2013 (ON SECOND CALLING)**

The Board of Directors of Pescanova, S.A., at the meeting held on 17 July 2013, has resolve to call an Extraordinary General Meeting of Shareholders, to be held on 12 September 2013, on first calling, and if appropriate, on the following day, 13 September 2013, on second calling, with the following Agenda:

- 1. Cessation of all the members of the Board of Directors of the Company, to be reinstated at the Extraordinary General Meeting of Shareholders.*
- 2. Appointment of Directors and determination of the number of members of the Board of Directors.*
- 3. Report on the status of the Company.*

The Board of Directors of the Company has not prepared a proposal for consideration at the Extraordinary General Meeting of Shareholders regarding item number 2 in the Agenda, and therefore, pursuant to article 518 of the Companies Law, has prepared the following report.

ITEM NUMBER TWO IN THE AGENDA:

- 2. Appointment of Directors and determination of the number of members of the Board of Directors.**

Article 214 of the Companies Law provides that the Board of Directors shall be appointed by the General Meeting of Shareholders, without any limitation other than those provided by law.

In this respect, it must be borne in mind the entitlement of shareholders to be proportionally represented on the Board of Directors as provided by article 243 of the Companies Law. This article provides that:

“1. Shares may be voluntarily grouped - to reach an amount of the capital equal to or higher than the amount resulting from dividing the share capital by the number of Board Members, to become entitled to appoint a number of members that, overcoming whole fractions, are deducted from the correspondent proportion.

2. If use is made of this right, the shares grouped in this manner may not take part in the vote for the remaining members of the Board of Directors.”

On the other hand, Article 33 of the Articles of Association of Pescanova, S.A. provides that a director needs not be a shareholder.

The term of office, as provided in article 42 of the Articles of Association of Pescanova, S.A., shall be five years.

For the appointment of Directors it must be taken into consideration the recommendations regarding the Board of Directors as set by the Unified Good Governance Code as ratified by the Council of the Spanish Securities and Exchange Commission (CNMV), as well as the recommendation number 5, paragraph a) that provides:

“Separate votes should be taken at the General Meeting of Shareholders on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

a) The appointment or ratification of directors, with separate voting on each candidate;”

It shall also be taken into account the Additional Provision Eighteen of the Securities Market Law that provides that issuing companies whose shares or bonds are listed on official secondary securities markets must have an Audit Committee and that at least one member of the audit committee must be independent and must be appointed on the basis of his/her knowledge and experience in accounting and/or auditing.

As regards to the number of members of the Board of Directors to be determined by the General Meeting of Shareholders, article 33 of the Articles of Association of Pescanova, S.A. provides that “The Board of Directors shall consist of not less than three and not more than fifteen members.”

The Shareholders, at the General Meeting held on 13 April 2012, resolved that the members of the Board of Directors should be 13.

It is also noted that pursuant to article 519.2 of the Companies Law, shareholders representing at least five per cent of the share capital, are entitled to present by reliable notice to be received at the registered office of the Company within the five days following the publication of this notice, any proposal for consideration regarding the items in the agenda. The said proposals, as mentioned in the notice calling the General Meeting of Shareholders shall be uninterruptedly available for review on the website of the Company, www.pescanova.com, as they are received until the holding of the Extraordinary General Meeting. The above is to be understood without prejudice to the entitlement that any shareholder has to put forward, at the time of holding the Extraordinary General Meeting of Shareholders, alternative proposals or proposals regarding issues that do not require to be included in the agenda pursuant to the provisions in the Companies Law.