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APPENDIX 1

ANNUAL REPORT ON DIRECTORS' REMUNERATION FOR LISTED COMPANIES

ISSUER'S IDENTIFICATION DATA

DATE OF FISCAL YEAR END	31/12/2013
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C.I.F.	A-36603587
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REGISTERED NAME

PESCANOVA, S.A.

REGISTERED ADDRESS

RÚA JOSÉ FERNÁNDEZ LÓPEZ, S/N (CHAPELA (REDONDELA))
PONTEVEDRA

ANNUAL REPORT ON DIRECTORS REMUNERATION FOR LISTED COMPANIES

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1. Please explain the company's remuneration policy. This section will include information regarding:

- General principles and basis of the remuneration policy.
- Most significant changes made to the remuneration policy from the policy applied during the previous financial year, as well as changes made during the year to the terms for exercising options already awarded.
- Standards used and composition of groups of comparable companies whose remuneration policies have been examined to determine the company's remuneration policy.
- Relative significance of the variable items of remuneration as compared to fixed items and standards used to determine the various components of the director remuneration package (remuneration mix).

Explain the remuneration policy

The Board of Directors' remuneration policy of the Company is ruled by article 41 of the Articles of Association and article 11 bis of the Regulations of the Board of Directors.

For a better understanding of Directors' remuneration policy below is included the wording of those articles:

Article 41.- Responsibility and Remuneration: The members of the Board shall perform their duties with the diligence of an orderly businessman and faithful representative. Their responsibility is established in the Companies Act and in any other applicable regulations.

The members of the Board of Directors are entitled to an annual fixed fee and to attendance fees as well as to the repayment 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.

Article 11 Bis.- The Remunerations Committee

[...] Without detriment to other duties that may be assigned by the Board of Directors, this Committee will be responsible for proposing to the Board of Directors the remuneration system for executive directors, i.e. amounts paid for management duties other than for being a member of the Board of Directors. Remuneration systems shall be reviewed periodically to ponder their appropriateness and oversee their transparency. In addition, this Committee will also propose to the Board the Directors' remuneration, pursuant to the Law and the Articles of Association.

Nevertheless, since the starting of the insolvency proceedings on 25 April 2013, the Board of Directors has been suspended from its duties, which have been assumed by the Insolvency Administration: Deloitte Advisory, S.L.. Since then, the Directors have not received any payment of any kind for the performance of their activity.

A.2. Please provide information regarding preparatory work and decision-making process followed to determine the remuneration policy, and any role played by the Remuneration Committee and other control bodies in the structure of the remuneration policy. This information shall include any mandate and composition of the Remuneration Committee, as well as the identity of external advisors whose services have been used to determine the remuneration policy. The type of directors who have participated in the determination of the remuneration policy shall also be stated.

Explain the process for determining the remuneration policy

At the end of 2013 the Company was in the process of a Company Voluntary Arrangement; the Board of Directors had been suspended from its duties. In view of the situation, the remuneration of any kind to the members of the Board was cancelled, and therefore no remuneration policy was determined for this financial year.

- A.3. Please state the amount and nature of the fixed components, with a breakdown, if applicable, of remuneration for the performance by the executive directors for their duties as senior officers, of additional remuneration for being the chairperson or a member of a committee of the Board of Directors, attendance fees for taking part of meetings of the Board and of committees thereof or other fixed remuneration as director, as well as an estimate of the annual fixed remuneration to which they give rise. Please identify any other benefits which are not paid in cash and the basic parameters upon which such benefits are provided.

Explain the fixed components of directors' remuneration

The remuneration payable to the directors, pursuant to the Law and the Articles of Association consists of the following concepts:

a) Fixed fee:

Directors receive a fixed fee that is comparable to market standards. This amount is reviewed on an annual basis by the Remuneration Committee, and if this Committee considers appropriate, it may ask for external advice. The proposal of the Remuneration Committee is presented to the Board of Directors of Pescanova and the latter puts it to the vote of the General Meeting of Shareholders.

b) Attendance fees:

Directors are entitled to attendance fees for every meeting attended; either Board meetings or meetings of Committees of the Board of Directors. This amount is reviewed on an annual basis by the Remuneration Committee, and if this Committee considers appropriate, it may ask for external advice. The proposal of the Remuneration Committee is presented to the Board of Directors of Pescanova and the latter puts it to the vote of the General Meeting of Shareholders

c) Repayment of travelling expenses:

And last, the Directors are entitled to the repayment of the travelling expenses incurred for attending meetings, Board meetings and meetings of Committees of the Board of Directors.

Total fixed fees: 389 thousand euros.

Total attendance fees: 184 thousand euros.

- A.4. Please explain the amount, nature and main features of the variable components of the remuneration system.

In particular:

- Identify each of the remuneration plans of which the directors are beneficiaries, the scope, the date of approval, the date of implementation, the date of effectiveness, and the main features thereof. In the case of share option plans and other financial instruments, the general features of the plan shall include information on the conditions for the exercise of such options or financial instruments for each plan.
- State any remuneration received under profit-sharing or bonus schemes, and the reason for the accrual thereof;
- Explain the fundamental parameters and basis for any annual bonus plan.
- The types of directors (executive directors, non-executive proprietary directors, non-executive independent directors or other non-executive directors) that are beneficiaries of remuneration systems or plans that include variable remuneration.

- The basis for such remuneration systems or plans, the chosen standards for evaluating performance, and the components and methods of evaluation to determine whether or not such evaluation standards have been met, and an estimate of the overall amount of variable remuneration to which the current remuneration plan would give rise, based on the level of compliance with the assumption or goals used as point of reference.
- If applicable, information shall be provided regarding any payment deferral periods that have been established and/or the periods for retaining shares or other financial instruments.

Explain the variable components of directors' remuneration

The variable fee is part of the remuneration of executive directors and the amount is determined after the end of the year by the Board of Directors of the Company.

In 2013 no variable fee has been paid.

- A.5 Please explain the main features of long-term saving systems, including retirement and any other survival benefit, either wholly or partially financed by the company, and whether funded internally or externally, with an estimate of the equivalent annual amount or cost thereof, stating the type of plan, whether it is a defined-contribution or a defined-benefit plan, the conditions for the vesting of economic rights in favour of the directors, and the compatibility thereof with any kind of indemnity for advanced or early termination of the labour relationship between the company and the director.

Also state the 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;

Explain the long-term saving systems

Not applicable

- A.6 Please state any termination benefits agreed to or paid in case of termination of duties as a director.

Explain the termination benefits

Not applicable

- A.7 Please state the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding, among other things, the term, limits on termination benefit amounts, continuance in office clauses, prior notice periods, and payment in lieu of prior notice, and any other clauses relating to hiring bonuses, as well as benefits or golden parachute clauses for advanced or early termination of the contractual relationship between the company and the executive director. Include, among other things, any post-contractual clauses or agreements on non-competition, exclusivity, continuance in office or loyalty, and non-competition.

Explain the terms and conditions of contracts of executive directors

Article 41, paragraph 3 of the Articles of Association states that the payments received by a Director for being member of the Board of Director 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

For the determination of the amount to be paid to executive directors, the Remunerations and Nominations Committee always pursue the remuneration of executive directors to be comparable to payments to executive directors of other companies which are similar in terms of size and activity.

The Remunerations and Nominations Committee examines on an annual basis the policy regarding remuneration to executive directors in order to bring a proposal to the Board and the adoption of resolutions on this matter considered appropriate.

The remuneration of executive directors consists of the following:

- Fixed fee
- Variable fee that is determined by the Board of Directors at the end of each financial year.

A.8 Please explain any supplemental remuneration accrued by the directors in consideration of services provided other than those inherent to their position.

Explain any supplemental remuneration
Not applicable

A.9. Please state any remuneration in the form of advances, loans or guarantees provided, with an indication of the interest rate, main features, and amounts potentially returned, as well as the obligations assumed on their behalf as a guarantee.

Explain any advances, loans and guarantees provided
Not applicable

A.10. Please explain the main features of remunerations in kind.

Explain the main features of remunerations in kind
Not applicable

A.11 Please state the remuneration accrued by any director by virtue of payments made by the listed company to a third party to which the director provides services, if such payments are intended to provide remuneration for the services thereof in the company.

Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third party to which the director provides services
Not applicable

A.12. Please provide information on any item of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it is deemed to be a related-party transaction or when the making thereof distorts the true and fair view of the total remuneration accrued by the director.

Explain other items of remuneration
Not applicable

A.13 Please explain the actions taken by the company regarding the remuneration system in order to reduce exposure to excessive risk and align it with the long-term goals, values, and interests of the company, including any reference to: measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures establishing an appropriate balance between the fixed and variable components of remuneration, measures adopted with respect to those categories of personnel whose professional activities have a significant impact on the Company's risk profile, recovery formulas or clauses to be able to demand the return of the variable components of remuneration based on results if such

components have been paid based on data that is later clearly proven to be inaccurate, and measures provided to avoid any conflicts of interest.

Explain action taken to reduce exposure to risks

At 2013 year end the Company was in the process of a Company Voluntary Arrangement; the Board of Directors had been suspended from its duties. In view of the situation, the remuneration of any kind to the members of the Board was cancelled, and therefore no remuneration policy was determined for this financial year.

B. REMUNERATION POLICY FOR FUTURE FINANCIAL YEARS

- B.1. Please provide a general forecast of the remuneration policy for future financial years that describes such policy with respect to: fixed components and attendance fees and remuneration of a variable nature, relationship between remuneration and results, benefits systems, terms of the contracts of executive directors, and outlook for more significant changes in remuneration policy as compared to previous financial years.

General forecast of the remuneration policy

At 2013 year end the Company was in insolvency proceedings; the Board of Directors had been suspended from its duties. The remuneration policy for future financial years will be defined once the company overcomes the insolvency proceedings and the Board recovers its duties.

- B.2. Please explain the decision-making process for determining the remuneration policy for future financial years, and any role played by the remuneration committee.

Explain the decision-making process for determining the remuneration policy

At 2013 year end the Company was in insolvency proceedings; the Board of Directors had been suspended from its duties. The remuneration policy for future financial years will be defined once the company overcomes the insolvency proceedings and the Board recovers its duties.

- B.3. Please explain the incentives created by the company in the remuneration system to reduce excessive risks and to align them with the long-term goals, values and interests of the company.

Explain the incentives created to reduce risks

At the end of 2013 the Company was in the process of a Company Voluntary Arrangement; the Board of Directors had been suspended from its duties. The remuneration policy for future financial years will be defined once the company overcomes the insolvency proceedings and the Board recovers its duties.

C. OVERALL SUMMARY OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE FINANCIAL YEAR JUST ENDED

- C.1. Please summarise the main features of the structure and items of remuneration from the remuneration policy applied during the financial year just ended, which give rise to the breakdown of individual remuneration accrued by each of the directors as reflected in section D of this report, as well as a summary of the decisions made by the Board to apply such items.

Explain the structure and items of remuneration from the remuneration policy applied during the financial year

To the best of the Insolvency Administration's knowledge, the remuneration policy of the previous year was applied from 1st January 2013 to the date on starting the insolvency proceedings. Since then, the remuneration of any kind to the Board members was frozen.

D. BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH OF THE DIRECTORS

Name	Type	Accrual period – Financial Year 2013
INVERLEMA, S.L.	PROPRIETARY DIRECTOR	From 01/01/2013 to 12/09/2013
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	PROPRIETARY DIRECTOR	From 01/01/2013 to 12/09/2013
LUXEMPART, S.A.	PROPRIETARY DIRECTOR	From 01/01/2013 to 31/12/2013
MANUEL FERNANDEZ DE SOUSA-FARO	EXECUTIVE DIRECTOR	From 01/01/2013 to 12/09/2013
ANA BELÉN BARRERAS RUANO	PROPRIETARY DIRECTOR	From 01/01/2013 to 12/09/2013
ANTONIO BASAGOITI GARCÍA -TUÑÓN	INDEPENDENT DIRECTOR	From 01/01/2013 to 12/09/2013
JOSÉ CARCELLER ARCE	PROPRIETARY DIRECTOR	From 01/01/2013 to 31/12/2013
YAGO MÉNDEZ PASCUAL	INDEPENDENT DIRECTOR	From 01/01/2013 to 31/12/2013
ALFONSO PAZ-ANDRADE RODRÍGUEZ	PROPRIETARY DIRECTOR	From 01/01/2013 to 12/09/2013
ROBERT ALBERT WILLIAMS	INDEPENDENT DIRECTOR	From 01/01/2013 to 12/09/2013
IBERFOMENTO, S.A.	PROPRIETARY DIRECTOR	From 01/01/2013 to 31/12/2013
SOCIEDAD GALLEGA DE IMPORTACIÓN Y EXPORTACIÓN DE CARBONES, S.A.	PROPRIETARY DIRECTOR	From 01/01/2013 to 12/09/2013
JUAN MANUEL URGOITI LÓPEZ DE OCAÑA	INDEPENDENT DIRECTOR	From 12/09/2013 to 31/12/2013
LUIS ÁNGEL SÁNCHEZ-MERLO RUIZ	INDEPENDENT DIRECTOR	From 12/09/2013 to 31/12/2013
ALEJANDRO LEGARDA ZARAGÜETA	INDEPENDENT DIRECTOR	From 12/09/2013 to 31/12/2013
ICS HOLDINGS LTD	PROPRIETARY DIRECTOR	From 01/01/2013 to 12/09/2013

D.1. Please complete the following tables regarding the individualised remuneration of each of the directors (including the remuneration for the financial year for executive duties) accrued during the financial year.

a) **Accrued remuneration at the company covered by this report:**

i) **Cash remuneration (in thousands of €)**

Name	Salary	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for being member of committees of the Board	Termination benefits	Other items	Total 2013	Total 2012
MANUEL FERNÁNDEZ DE SOUSA-FARO	217	9	15	0	0	0	0	0	241	1,104
ALFONSO PAZ-ANDRADE RODRÍGUEZ	0	9	19	0	0	10	0	0	38	80
ICS HOLDINGS LTD	0	9	19	0	0	19	0	0	47	90
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	0	5	0	0	0	0	0	0	5	70
JOSÉ CARCELLER ARCE	0	9	15	0	0	0	0	0	24	70
LUXEMPART, S.A.	0	9	15	0	0	0	0	0	24	70
ANA BELÉN BARRERAS RUANO	0	9	15	0	0	0	0	0	24	70
IBERFOMENTO, S.A.	0	9	15	0	0	0	0	0	24	70
INVERLEMA, S.L.	0	9	15	0	0	0	0	0	24	47
ANTONIO BASAGOITI GARCÍA - TUÑÓN	0	9	15	0	0	5	0	0	29	80
ROBERT ALBERT WILLIAMS	0	9	15	0	0	24	0	0	48	90
YAGO MÉNDEZ PASCUAL	0	9	15	0	0	0	0	0	24	70
SOCIEDAD GALLEGA DE IMPORTACIÓN Y EXPORTACIÓN DE CARBONES, S.A.	0	9	15	0	0	0	0	0	24	70

ii) **Share-based remuneration systems.**

iii) **Long-term savings systems**

b) Remuneration accrued by directors of the company for belonging to boards at other companies of the group:

i) Cash remuneration (in thousands of €).

Name	Salary	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for being member of committees of the Board	Termination benefits	Other items	Total 2013	Total 2012
MANUEL FERNANDEZ DE SOUSA-FARO	0	0	0	0	0	0	0	0	0	0

ii) Share-based remuneration systems.

iii) Long-term savings systems

c) Summary of remuneration (in thousands of €):

The summary must include the amounts for all items of remuneration included in this report that have been accrued by the director, in thousands of euros.

In the case of long-term saving systems, include contributions or funding for these types of systems:

Name	Accrued remuneration from the Company				Accrued remuneration from Group Companies				Total		
	Total remuneration in cash	Amount of shares awarded	Gross profit on options exercised	Total financial year 2013 (company)	Total remuneration in cash	Amount of shares awarded	Gross profit on options exercised	Total financial year 2013 (Group companies)	Total financial year 2013	Total financial year 2012	Contribution to savings systems during the year
ALFONSO PAZ-ANDRADE RODRÍGUEZ	38	0	0	38	0	0	0	0	38	80	0
MANUEL FERNÁNDEZ DE SOUSA-FARO	241	0	0	241	0	0	0	0	241	0	0
ICS HOLDINGS LTD	47	0	0	47	0	0	0	0	47	90	0
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	5	0	0	5	0	0	0	0	5	70	0
SOCIEDAD GALLEGA DE IMPORTACIÓN Y EXPORTACIÓN DE CARBONES, S.A.	24	0	0	24	0	0	0	0	24	70	0
JOSÉ CARCELLER ARCE	24	0	0	24	0	0	0	0	24	70	0
LUXEMPART, S.A.	24	0	0	24	0	0	0	0	24	70	0
ANA BELÉN BARRERAS RUANO	24	0	0	24	0	0	0	0	24	70	0
IBERFOMENTO, S.A.	24	0	0	24	0	0	0	0	24	70	0
INVERLEMA, S.L.	24	0	0	24	0	0	0	0	24	47	0
ANTONIO BASAGOITI GARCÍA TUÑÓN	29	0	0	29	0	0	0	0	29	80	0
ROBERT ALBERT WILLIAMS	48	0	0	48	0	0	0	0	48	90	0
YAGO MÉNDEZ PASCUAL	24	0	0	24	0	0	0	0	24	70	0
ALEJANDRO LEGARDA ZARAGÜETA	0	0	0	0	0	0	0	0	0	0	0
JUAN MANUEL URGOITI LÓPEZ DE OCAÑA	0	0	0	0	0	0	0	0	0	0	0

Name	Total remuneration in cash	Amount of shares awarded	Gross profit on options exercised	Total financial year 2013 company	Total remuneration in cash	Amount of shares awarded	Gross profit on options exercised	Total financial year 2013 Group companies	Total financial year 2013	Total financial year 2012	Contribution to savings systems during the year
LUIS SÁNCHEZ-MERLO RUIZ	0	0	0	0	0	0	0	0	0	0	0
TOTAL	576	0	0	576	0	0	0	0	576	877	0

D.2. Please inform about the relationship between remuneration obtained by the directors and the results or other measures of the Company's performance, explaining how any changes in the company's performance may have influenced changes in the remuneration of the directors.

In 2013 there was no payment to directors related to the Company's performance.

D.3. Please report the results of the consultative vote of the shareholders on the annual remuneration report for the preceding financial year, indicating the number of votes against, if any:

	Number	% on total votes
Votes cast	0	0.00%

	Number	% on total votes
Votes against	0	0.00%
Votes in favour	0	0.00%
Abstentions	0	0.00%

E. OTHER RELEVANT INFORMATION

If there are any significant aspects regarding directors' remuneration that could not be included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the remuneration structure and practices of the company with respect to its directors, please describe them briefly.

Not applicable

This annual report on directors' remuneration was ratified by the board of directors of the company at its meeting of 28/05/2014.

Please state whether any directors voted against or abstained in connection with the approval of this Report.

Yes

No