

6. In compliance with Article 116 bis of Law 24/2008 of 28 July 2007, on the Securities Market, introduced by Law 6/2008 of 12 April 2007, the Board of Directors of Iberpapel Gestión, S.A. issues this explanatory report on those aspects of the Directors' Report envisaged therein for submission to the Company's General Shareholders' Meeting.

a) The capital structure, including securities traded on a Community regulated market, indicating, where appropriate, the different classes of shares and for each class of shares, the rights and obligations granted and percentage of capital represented.

The share capital of Iberpapel Gestión, S. A. at 31 December 2009 amounts to € 6,979,884.00 and has been fully paid in and is divided into 11,633,140 ordinary shares of a single class and series, with a par value of € 0,60 each, fully subscribed and paid in.

b) Restriction on the transfer of shares.

There are no legal restrictions or restrictions in the bylaws concerning the free acquisition or transfer of shareholdings.

Article 6 of the bylaws lays down that the shares are represented by accounting entries.

c) Significant direct or indirect shareholdings in capital.

At 31 December 2009 the only significant shareholdings known are as follows:

Name	% Direct	% Indirect	No. of Direct rights	No. of indirect rights
Banco Guipuzcoano	5.226		607,923	
Bestinver Gestion, S.A., S.G.I.I.C.		9.109		1,059,706 (1)
Bestinver Bolsa, FI	4.246		493,918	
Onchena, S.L.	7.583		882,188	

(I) Through:

Name of indirect holder of the stake	Through: Name of direct holder of the stake	Number of direct voting rights	% total voting rights
BESTINVER GESTION, S.A. S.G.I.I.C.	ABEDUL 1999, S.A. SICAV	1,447	0.012
BESTINVER GESTION, S.A. S.G.I.I.C.	ACCIONES CUP. Y OBLI. SEGOVIANAS.	1,876	0.016
BESTINVER GESTION, S.A. S.G.I.I.C.	BESTINFOND, F.I.	265,908	2.286
BESTINVER GESTION, S.A. S.G.I.I.C.	BESTINVER BOLSA, F.I.	493,918	4.246
BESTINVER GESTION, S.A. S.G.I.I.C.	BESTINVER MIXTO, F.I.	84,545	0.727
BESTINVER GESTION, S.A. S.G.I.I.C.	BESTINVER AHORRO,F.P.	41,192	0.354
BESTINVER GESTION, S.A. S.G.I.I.C.	BESTINVER BESTVALUE SICAV	46,129	0.397
BESTINVER GESTION, S.A. S.G.I.I.C.	BESTINVER GLOBAL, F.P.	49,640	0.427
BESTINVER GESTION, S.A. S.G.I.I.C.	BESTINVER EMPLEO FP S.A.	2,249	0.019
BESTINVER GESTION, S.A. S.G.I.I.C.	DIIVALSA DE INVERSIONES SICAV, S.A.	2,434	0.021
BESTINVER GESTION, S.A. S.G.I.I.C.	LINKER INVERSIONES, SICAV, S.A.	1,385	0.012
BESTINVER GESTION, S.A. S.G.I.I.C.	LOUPRI INVERSIONES	3,825	0.033
BESTINVER GESTION, S.A. S.G.I.I.C.	SOIXA SICAV	50,732	0.436
BESTINVER GESTION, S.A. S.G.I.I.C.	TEXRENTA INVERSIONES,	14,426	0.124

d) Restrictions on voting rights

There are no legal restrictions or restrictions in the bylaws on the exercising of voting rights.

e) Quasi-corporate pacts.

The company has received no notification of the existence of any quasi-corporate pacts including the regulation of the exercise of voting rights at General Meetings or restrictions on the free transfer of the shares of Iberpapel Gestión. S.A.

f) Regulations applicable to the appointment and replacement of the members of the Administrative Body and amendment of the corporate objects.

Article 9 of the Bylaws lays down that the General Shareholders' Meeting is authorized to appoint and dismiss Directors and ratify or revoke provisional appointments of such directors effected by the Board itself.

Article 21 of the Bylaws lays down that the Board of Directors shall be made up of a minimum of three and a maximum of 10 members, designated by the General Shareholders' Meeting.

The Directors will hold office for a maximum of six years and may be re-elected one or more times for identical periods.

The Board of Directors will be empowered to cover provisionally any vacancies that may arise in the same, designating the replacements in the legally established manner until the first General Shareholders' Meeting.

Those persons involved in a legal conflict of interest or declared legally incapable may not be directors.

Article 7 of the Board's Regulations lays down:

- i) The General Shareholders' Meeting shall determine the number of directors, with a minimum of three and a maximum of ten, as established by the Bylaws.
- ii) The Directors shall hold office for a maximum of six years and may be re-elected once or more times for identical periods at the most.

Article 8 of the Board's Regulations lays down:

The proposals which the Board submits to the General Shareholders' Meeting relating to the appointment or re-election of directors within the limits set out in the Bylaws, shall be made following the proposal of the Appointments and Remuneration Committee for independent directors and following a report from such Committee for other directors and will include the presence on the Board of a reasonable number of independent directors and shall have a majority of external directors not involved in management.

Article 15 of the Board's Regulations lays down:

The directors shall cease to hold office when the period for which they were appointed elapses, in accordance with Article 145 of the Mercantile Registry Regulations, and when so decided by the General Shareholders' Meeting in accordance with the powers conferred to it.

Moreover, the directors shall place their position at the disposal of the Board of Directors and formalize, if deemed appropriate, their resignation in the following cases:

- i) When they are involved in a legal conflict of interest.
- ii) When their remaining on the Board may jeopardize the Company's interests or when the reasons for which they were appointed no longer exist.
- iii) In the event of an accusation or instigation of oral proceedings connected with any of the crimes indicated in Article 124 of the Spanish Companies Act, the Board shall examine the case as soon as possible and decide the appropriateness of the Director continuing to hold office or otherwise.
- iv) Domanial directors shall resign when the shareholder whom they represent sells his shareholding in full.

Amendment of the Company's bylaws

Article 9 of the Bylaws lays down that authority to amend the bylaws lies with the General Shareholders' Meeting.

Article 12 of the Bylaws lays down that in order for the General Meeting to validly agree to issue bonds, increase or decrease share capital, transform, merge or split the Company or any other bylaw amendment, half of voting capital shall be present at the first call. On second call, it shall be sufficient for 25% of voting share capital to be represented.

g) Powers of attorney of the members of the Board of Directors and, in particular, those relating to the possibility of issuing or repurchasing shares.

Executive directors hold wide-ranging powers of attorney and administration commensurate with the characteristics and needs of the positions held.

Article 6 of the Boards' Regulations lays down that the policy concerning dividends and treasury shares and in particular, their limits, shall be known exclusively by the Board of Directors.

In accordance with Article 75 of the Spanish Companies Act, the General Shareholders' Meeting, in the meeting held on 02 June 2009, granted authorization to the Board of Directors, with the power to delegate, for the derivative acquisition of treasury shares by the Company and / or part of its subsidiaries in accordance with applicable legislation.

i) Maximum number: the number of treasury shares may in no event exceed the maximum limit contained in the Spanish Companies Act for listed companies (5% of share capital.)

ii) Term: 14 months as from 2 June 2009.

iii) The price shall be a minimum of the par value and a maximum of € 40 per share.

h) Any significant agreements that have been concluded by the company and enter into effect may be amended or terminated in the event of a change in control of the company as a result of a public offering and their effects, except when disclosure would have a serious adverse effect for the company. This exception shall not apply when the company is legally required to disclose this information.

REPORT FROM THE BOARD OF DIRECTORS OF IBERPAPEL GESTION, S.A. AT THE PROPOSAL OF THE NOMINATIONS AND COMPENSATION COMMITTEE REGARDING THE COMPENSATION POLICY FOR THE MEMBERS OF THE BOARD OF DIRECTORS

1.- System

In accordance with the provisions of Article 10.3 of the Board Regulations, which stipulate that among the responsibilities of the Nominations and Compensation Committee is to propose to the Board of Directors a compensation policy for Directors and Senior Executives, and compensation for individual executive directors together with the other terms of their contracts, and this policy proposal is contained in this report on the compensation policy for the Board of Directors.

The compensation policy for the Board of Directors of Iberpapel Gestión, S.A. has been developed in accordance with the provisions of the bylaws and the Board Regulations.

In addition, that policy complies with the recommendations made by the Unified Code of Good Governance for Listed Companies approved by the Board of Directors of the National Stock Market Commission on 22 May 2006 and, specifically, recommendations 8 and 35 through 29.

Article 130 of the Spanish Companies Act establishes the basic rules for compensating Directors, expressly indicating that the compensation must be set in the bylaws.

In this connection, Article 22 of the bylaws stipulates that the Board of Directors will receive compensation consisting of 4% of net profits which will only be deducted from said profits after having made all necessary

The company has not entered into any agreements in this respect.

i) The agreements between the company and its administration and management officers or employees that provide for indemnities in the event of resignation or wrongful dismissal or if the employer/ employee relation comes to an end as a result of a public offering.

The Company has no agreements other than those contained in the Workers' Statute with its administration and management officers or employees that provide for indemnities in the event of resignation or wrongful dismissal or if the employer/ employee relation comes to an end as a result of a public offering.

contributions to the legal reserve and, if appropriate, any other mandatory reserves as well as the distribution of a dividend to shareholders of at least 4% of share capital paid in. Each year the Board of Directors will establish a specific amount to be received by each Director, adjusting the amount to be received by each one based on their membership to Board Committees, the position held on those committees as well as their dedication to the Company”

Accordingly, Article 6 of the Board Regulations stipulates that Directors' compensation and any additional compensation paid to executives for performing executive duties, and any other conditions that must be respected by their contracts, is the exclusive competency of the Board of Directors.

Article 17 of those Regulations stipulates that Directors' compensation will be established in the bylaws and the distribution will take place in accordance with the provisions of the bylaws, after receiving a report from the Nominations and Compensation Committee. The Board of Directors and the Nominations and Compensation Committee will adopt all measures necessary to ensure that the notes to the annual accounts report the individual compensation paid to Directors during the year, including:

a) A breakdown of the compensation obtained by each Director, to include where appropriate:

- i.- Attendance per diems and other fixed payments for Directors,
- ii.- Additional compensation for acting as Chairman or member of a Board Committee,
- iii.- Any payments made under profit-sharing or bonus schemes, and the reason for their accrual,
- 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 schemes,
- v.- Any severance packages agreed or paid,

- vi.- Any compensation they receive as directors of other companies in the group,
 - vii.- The compensation executive directors receive in respect of their senior management posts,
 - viii.- Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted as a related-party transaction or when its omission would detract from a true and fair view of the total compensation received by the director.
- b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemized by:
- i.- Number of shares or options awarded in the year, and the terms set for their execution;
 - ii.- Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii.- Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv.- Any change over the year in the exercise terms of previously-awarded options.

2. Compensation policy for the members of the Board of Directors of Iberpapel Gestión, S.A.

Compensation for all Directors has been set taking into account their dedication, qualifications and the responsibility assumed and in no case does the amount compromise their independence when performing their duties.

Compensation for all Directors has been set by the Board of Directors at the proposal of the Nominations and Compensation Committee, in

accordance with the policies and within the limits established by Article 22 of the bylaws.

In accordance with Recommendation 40 of the Unified Code of Good Governance for Listed Companies, an overall summary of the compensation policy applied is set out below.

3. Compensation for holding a Board Position at Iberpapel Gestión, S.A. in 2009, receivable in 2010.

Pending final approval of the annual accounts by the shareholders of Iberpapel Gestión, S.A. at a General Meeting, after receiving a favourable report from the Nominations and Compensation Committee, and following principles of prudence and moderation, the compensation policy for the Company's Board of Directors in 2009 and receivable in 2010 has been approved, as broken down individually in the Consolidated Annual Accounts.

The Directors of Iberpapel Gestión, S.A. do not receive from the company any other compensation such as bonuses, contributions to pension plans, indemnities, shares or stock options, notwithstanding the amounts that the Executive Director receives for the performance of executive duties, or the compensation received by Directors for pertaining to the Board of Directors of other Iberpapel Group companies.

The Directors of Iberpapel Gestión, S.A. do not have any type of "golden parachute" giving rise to the right to receive extraordinary amounts when leaving the Board.

4.- Compensation paid to the Directors of Iberpapel Gestión, S.A. for Senior Management duties.

The consolidated annual accounts provide details of the compensation that the Executive Director of Iberpapel Gestión, S.A. receives for performing executive duties. This compensation has been proposed by the Nominations and Compensation Committee to the Board of Directors.

5.- Contract terms

The establishment of contract terms for a Director that is a Company employee takes into account all the conditions that are habitually applied to these types of relationships, establishing terms in accordance with prevailing market practices.

There are no clauses relating to signing bonuses or annual variable compensation (bonus) tied to attaining objectives. Any indemnities for termination at the company's request, unless involving justified dismissal, are governed by Article 56.1.a) of the Workers' Statute.