

De acuerdo con el artículo 17 del Reglamento (UE) 596/2014 del Parlamento Europeo y del Consejo de 16 de abril de 2014 sobre el abuso de mercado (Reglamento sobre Abuso de Mercado) y el artículo 228 de la Ley del Mercado de Valores, Ence Energía y Celulosa, S.A. (“Ence”) comunica y hace público el siguiente:

HECHO RELEVANTE

Ence comunica la convocatoria de la asamblea general de bonistas de la emisión de bonos no garantizados convertibles en acciones ordinarias de Ence por importe de €160.000.000 al 1.25% de interés, con vencimiento 2023 y con código ISIN XS1783932863 y Common Code 178393286 (los “Bonos”), que ha sido publicada hoy para su celebración el 9 de julio de 2018, en primera convocatoria, y el 23 de julio de 2018, en segunda convocatoria.

La asamblea se convoca para aprobar determinadas modificaciones puntuales de los términos y condiciones de los Bonos con el fin de adaptarlos a la práctica habitual para emisiones de este tipo de instrumentos en el euromercado.

Se adjunta a los efectos oportunos el texto de la convocatoria (*notice of meeting*) que incluye la propuesta de acuerdo (*extraordinary resolution proposal*).

Madrid, 15 de junio de 2018

ENCE Energía y Celulosa, S.A.

NOTICE OF MEETING

to all holders (the “**Bondholders**”) of the outstanding

**€160,000,000 1.25 per cent. Senior Unsecured Convertible Bonds due 2023 of ENCE Energía y Celulosa, S.A.
with ISIN code XS1783932863 and Common Code 178393286**

NOTICE IS HEREBY GIVEN that, pursuant to: (i) article 422 of Royal Legislative Decree 1/2010, of 2 July, approving the Unified Text of the Spanish Companies Law (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el Texto Refundido de la Ley de Sociedades de Capital*), (ii) the terms and conditions (the “**Conditions**”) of the €160,000,000 1.25 per cent. Senior Unsecured Convertible Bonds due 2023 (the “**Bonds**”) of ENCE Energía y Celulosa, S.A. (the “**Issuer**”), and (iii) the provisions regulating meetings of bondholders set out as Schedule 3 to the Fiscal, Transfer and Conversion Agency Agreement dated 5 March 2018 entered into between the Issuer, The Bank of New York Mellon, London Branch (the “**Fiscal Agent**”) and The Bank of New York Mellon SA/NV, Luxembourg Branch (the “**Registrar**”) (such agreement, the “**Fiscal Agency Agreement**”, and such provisions, the “**Bondholder Meeting Provisions**”), Mr. Ignacio de Colmenares Brunet, as Chief Executive Officer for and on behalf of the Issuer convenes a General Meeting (*asamblea general de bonistas*) of Bondholders (the “**General Meeting**”) to be held at the offices of the Issuer at calle de Beatriz de Bobadilla nº 14, 28040 Madrid, Spain at 10:00 a.m. CET on 9 July 2018 or, if adjourned, at the same place and time on 23 July 2018.

Unless the context otherwise requires, capitalized terms not otherwise defined in this notice of General Meeting (the “**Notice**”) shall have the meanings ascribed to them in the Fiscal Agency Agreement, or as applicable, the Conditions.

1. PURPOSE AND AGENDA

The purpose of the General Meeting is to consider the proposed amendments to the Conditions and, if thought fit, pass the following resolution set out below in this Notice, which will be proposed as an Extraordinary Resolution in accordance with, and as defined in, the Bondholder Meeting Provisions.

The proposed amendments seek to modify the Conditions, in particular, Condition 6(b)(vi) and Condition 7(e), to align such Conditions with European market standards to allow Bondholders to benefit from an enhanced conversion ratio period in the event of a Tender Offer while maintaining the Bondholder’s put at par in the event of a Change of Control (pursuant to Condition 7(e)), but suppressing the Tender Offer Value component of such put which will be covered through the aforementioned enhanced conversion ratio period.

EXTRAORDINARY RESOLUTION

"THAT THIS MEETING (the "**General Meeting**") of the holders (the "**Bondholders**") of the €160,000,000 1.25 per cent. Senior Unsecured Convertible Bonds due 2023 (the "**Bonds**") of ENCE Energía y Celulosa, S.A. (the "**Issuer**"), by Extraordinary Resolution (as defined in the Fiscal, Transfer and Conversion Agency Agreement referred to below) (the "**Extraordinary Resolution**") hereby:

1. approves and assents to the amendment of the terms and conditions of the Bonds by the replacement of Condition 7(e) of such terms and conditions with the following:

"Redemption at the option of Bondholders following a Change of Control

If a Change of Control shall occur, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Put Date at the Put Price, together with accrued interest to (but excluding) the Put Date.

*To exercise the right set out in this Condition 7(e), the holder of the relevant Bond must present such Bond at the specified office of any Paying, Transfer and Conversion Agent together with a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent (a "**Put Exercise Notice**") at any time in the period (the "**Put Period**") of 60 days commencing on the occurrence of the Change of Control and ending 60 days thereafter, or, if later, 60 days following the date upon which notice as required by Condition 7(f) is given to Bondholders by the Issuer. The "**Put Date**" shall be the fourteenth day after the expiry of the Put Period.*

Payment in respect of any such Bond shall be made by transfer to a bank in a city in which banks have access to the TARGET System specified by the relevant Bondholder in the applicable Put Exercise Notice.

In these Conditions:

"Put Price" means in respect of a Bond, the principal amount of such Bond; and

2. approves and assents to the amendment of the terms and conditions of the Bonds by the replacement of Condition 6(b)(vi) of such terms and conditions with the following:

"(vi) Conversion Price Protection in relation to a Change of Control or Tender Offer

*If a Change of Control (other than as a result of a Tender Offer) or a Tender Offer Triggering Event shall occur in respect of the Issuer, the Conversion Price shall be adjusted in accordance with the formula set out below, provided that any adjustment to the Conversion Price pursuant to this Condition 6(b)(vi) shall apply only to Bonds in respect of which Conversion Rights are exercised and the relevant Conversion Date falls within the Relevant Period (defined below), the Conversion Price, solely for the purpose of such exercise (the "**Adjusted Conversion Price**"), shall be determined by multiplying the Conversion Price in effect on the relevant Conversion Date by the following fraction:*

$1/(1+ (CP \times c/t))$:

where:

CP is 40 per cent. (expressed as a fraction);

c is the number of days from and including the date the Change of Control or, as the case may be, the Tender Offer Triggering Event occurs to but excluding the Final Maturity Date; and

t is the number of days from and including the Issue Date to but excluding the Final Maturity Date.

In these Conditions:

A “**Change of Control**” shall occur if any person acquires Control of the Issuer.

“**CNMV**” means Spain’s Comisión Nacional del Mercado de Valores.

“**Control**” means:

- (a) the acquisition or control of more than 50 per cent. of the Voting Rights in respect of the Issuer, or
- (b) the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights in respect of the Issuer, contract or otherwise,

and “**controlled**” shall be construed accordingly.

“**Relevant Period**” means the period commencing on the occurrence of the Change of Control or, as the case may be, on and including the date the Tender Offer Triggering Event occurs and ending 60 days thereafter, or if later, 60 days following the date on which the relevant Change of Control or Tender Offer Triggering Event Notice is given to Bondholders as required by Condition 7(f).

“**Tender Offer**” means a tender offer (including a competing tender offer) made in accordance with applicable Spanish laws and regulations following approval from the CNMV.

“**Tender Offer Triggering Event**” shall occur where a Tender Offer is made to all (or as nearly as may be practicable all) holders of Ordinary Shares (or all (or as nearly as may be practicable all) such shareholders other than the offeror and/or any person or persons acting together with the offeror) to acquire all or any of the issued Ordinary Shares of the Issuer and which, if successful, would result, immediately following completion of the Tender Offer, in the occurrence of a Change of Control.”;

3. approves and assents to the amendment of the terms and conditions of the Bonds by the replacement of Condition 7(f) of such terms and conditions with the following:

“(f) Notice of Change of Control or Tender Offer Triggering Event

Within 14 days following the occurrence of a Change of Control or Tender Offer Triggering Event, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 15. In the case of a Change of Control, such notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 7(e), and, in the case of a Change of Control (other than as a result of a Tender Offer) or a Tender Offer Triggering Event, to exercise their Conversion Rights as provided in these Conditions.

Such notice shall also specify:

- (a) *all information material to Bondholders concerning the Change of Control or Tender Offer Triggering Event;*
- (b) *the Conversion Price immediately prior to the occurrence of the Change of Control (other than as a result of a Tender Offer) or of the Tender Offer Triggering Event, the Adjusted Conversion Price applicable on the basis of such Conversion Price;*
- (c) *the Closing Price of the Ordinary Shares as at the latest practicable date prior to the publication of the relevant notice;*
- (d) *the last day of the Put Period and, in the case of a Change of Control (other than as a result of a Tender Offer) or of a Tender Offer Triggering Event, of the Relevant Period;*
- (e) *the Put Price; and*
- (f) *the Put Date.*

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Put Exercise Notices delivered as aforesaid on the relevant Put Date. ”;

4. approves and assents to the amendment of the terms and conditions of the Bonds (such amendment, together with the amendments set out in paragraphs (1), (2) and (3) above, the “**Amendments**”) by making the following changes to Condition 3 of such terms and conditions:
 - (i) the deletion of the words “**Tender Offer Consideration**” has the meaning provided in Condition 7(e)”;
 - (ii) the deletion of the words “**Tender Offer Period**” has the meaning provided in Condition 7(e)”;
 - (iii) the deletion of the words “**Tender Offer Value**” has the meaning provided in Condition 7(e)”;
 - (iv) the replacement of the words “**Tender Offer Triggering Event**” has the meaning provided in Condition 7(e)” with the following: “**Tender Offer Triggering Event**” has the meaning provided in Condition 6(b)(vi)”;
 - (v) the replacement of the words “**Change of Control Conversion Price**” with the following: “**Adjusted Conversion Price**”;
5. approves, authorizes, consents, sanctions, empowers and directs the Issuer to:
 - (i) consent and/or confirm its agreement to the implementation of the Amendments (in writing where necessary); and
 - (ii) execute and do, all such other deeds, instruments, ancillary documents, acts and things as may be necessary or desirable to carry out and give effect to this Extraordinary Resolution and to implement the Amendments;
6. acknowledges that the terms and conditions of the Bonds will remain in full force and effect (subject only to the variations and amendments effected by the implementation of the Amendments), and no party or parties intend that the Bonds be rescinded, repaid or terminated as a consequence of the Amendments;
7. sanctions and approves every modification, abrogation, variation, compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer, the Fiscal Agent, the Paying, Transfer and

Conversion Agents, the Tabulation Agent and the Consent Solicitation Agent involved in or arising from the implementation of this Extraordinary Resolution and the implementation of the Amendments (whether such rights shall arise under or in relation to the Fiscal Agency Agreement, the terms and conditions of the Bonds or otherwise, including by reason of any allegation of breach of contract, duty or trust in relation to any action or decision taken by the Issuer, the Fiscal Agent, the Paying, Transfer and Conversion Agents, the Tabulation Agent and the Consent Solicitation Agent in effecting such execution or implementation) and assents to every modification, variation and abrogation of the covenants or provisions of the Fiscal Agency Agreement, the terms and conditions of the Bonds and any other documents relating to the Bonds involved in or affected by the implementation of this Extraordinary Resolution or the Amendments generally;

8. directs, requests, empowers and authorises the Fiscal Agent, the Paying, Transfer and Conversion Agents, the Tabulation Agent and the Consent Solicitation Agent to consent to, concur in and execute all such documents and do all such acts and things considered by each of them in its sole discretion to be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution or the Amendments generally;
9. discharges and exonerates the Fiscal Agent, the Paying, Transfer and Conversion Agents, the Tabulation Agent and the Consent Solicitation Agent from all liabilities in respect of any act or omission in connection with the Bonds, the terms and conditions of the Bonds or any other documents relating to the Bonds involved in or affected by the implementation of this Extraordinary Resolution or the Amendments generally;
10. other than as expressly provided in this Extraordinary Resolution, waives any and all requirements, restrictions or conditions precedent set forth in the documents relating to the Bonds in respect of implementing these Amendments;
11. confirms that it has formed its own view in relation to the actions arising out of this Extraordinary Resolution without any reliance on the Fiscal Agent, the Paying, Transfer and Conversion Agents, the Tabulation Agent, the Consent Solicitation Agents or the Issuer;
12. empowers the Issuer so that, in the name and on behalf of the Bondholders, it can carry out any actions and execute any public or private documents that may be necessary or advisable for granting and recording the General Meeting minutes; and
13. empowers the Issuer, with specific powers of substitution and without prejudice to other delegations already granted, so that, in the name and on behalf of the Bondholders, it can appear before a notary and notarise this Extraordinary Resolution, executing any public and private instruments that may be necessary or advisable for such notarisation, appearing before any public or private authorities, foreign or national, that may be advisable to apply and to obtain the registration thereof with the relevant Commercial Registry, including the power to rectify or amend this Extraordinary Resolution.

Unless the context otherwise requires, capitalized terms not otherwise defined in this Extraordinary Resolution shall have the meanings ascribed to them in the Fiscal, Transfer and Conversion Agency Agreement dated 5 March 2018 entered into between the Issuer, The Bank of New York Mellon, London branch (as Fiscal Agent) and The Bank of New York Mellon SA/NV, Luxembourg Branch (as Registrar), or as applicable, the terms and conditions of the Issue.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Bondholders may, at any time prior to the General Meeting as set out herein, obtain on the web page of the Issuer (<https://www.ence.es/es/inversores.html>) copies of the documents set out below.

Documents available:

- this Notice;
- the Conditions;
- the Fiscal Agency Agreement; and
- the Consent Solicitation Memorandum (following its publication).

3. ATTENDANCE

Bondholders shall be entitled to attend, speak and vote at the General Meeting if they hold Bonds prior to 10:00 a.m. (CET) on 6 July 2018 or, if the Issuer confirms the calling of the adjourned Meeting, prior to 10:00 a.m. (CET) on 20 July 2018.

In addition, pursuant to Section 13 of the Bondholder Meeting Provisions, the following are also entitled to attend and speak at the General Meeting:

- representatives of the Issuer, the Fiscal Agent and the Registrar;
- the financial advisers of the Issuer; and
- the legal counsel to the Issuer, the Fiscal Agent and the Registrar,

and this Notice has been issued to Fiscal Agent and the Registrar for such purpose.

4. QUORUM AND ADJOURNMENT

Due to the fact that the amendments to Condition 7(e) of the Conditions contemplated pursuant to the Extraordinary Resolution set out above constitute a “Reserved Matter” pursuant to the Bondholder Meeting Provisions, the quorum at the General Meeting shall be at least two Voters representing or holding not less than the three quarters of the aggregate principal amount of the outstanding Bonds.

Having regard to such requirements, Bondholders are strongly urged either to attend the General Meeting or to take steps to be represented at the General Meeting, as referred to below and in the Consent Solicitation Memorandum, as soon as possible.

If by 10:15 a.m. CET on 9 July 2018 a quorum as described above is not present, then the General Meeting shall be adjourned to be held at 10:00 a.m. CET on 23 July 2018 at calle de Beatriz de Bobadilla nº 14, 28040 Madrid, Spain, which adjourned meeting shall consider the Extraordinary Resolution in the terms set out above. In such event, the quorum for such adjourned meeting shall be at least two Voters representing or holding not less than one quarter of the aggregate principal amount of the outstanding Bonds.

5. RIGHTS OF REPRESENTATION

A person in whose name a Bond is registered in the Register prior to 10:00 a.m. (CET) on 6 July 2018 or, if the Issuer confirms the calling of the adjourned Meeting, prior to 10:00 a.m. (CET) on 20 July 2018 shall for the purposes of the General Meeting be deemed to be the holder of such Bond. All such Bondholders have the right to attend the General Meeting.

The Consent Solicitation Memorandum prepared by the Issuer will detail the procedures with respect to the appointment of Proxies and issue of Block Voting Instructions by Bondholders, so that Bondholders may be represented at the General Meeting.

6. VOTING

Every question submitted to the General Meeting (including the Extraordinary Resolution) shall be decided in the first instance by a show of hands, unless a poll is validly demanded before or at the time that the result is declared. A demand for a poll shall be valid if it is made by the chairman of the General Meeting (the “**Chairman**”), the Issuer or one or more Voters representing or holding together not less than one fiftieth of the aggregate principal amount of the outstanding Bonds.

Every Voter shall have:

- (i) on a show of hands, one vote; and
- (ii) on a poll, the number of votes obtained by dividing the aggregate principal amount of the outstanding Bond(s) represented or held by him by the unit of currency in which the Bonds are denominated.

In the case of a voting tie the Chairman shall have a casting vote.

The Extraordinary Resolution requires a majority of not less than three quarters of the votes cast at the General Meeting to pass. If so passed, such Extraordinary Resolution shall be binding upon all Bondholders whether or not present at the General Meeting and each of the Bondholders shall be bound to give effect to it accordingly.

Notice of the result of the vote on the Extraordinary Resolution shall be given to the Bondholders and the Paying Agents (with a copy to the Issuer) within 14 days of the conclusion of the General Meeting.

7. GENERAL

None of the Fiscal Agent, the Registrar, the Paying, Transfer and Conversion Agents, the Tabulation Agent nor the Consent Solicitation Agent expresses any view as to the merits of the proposals to be considered at the General Meeting or the Extraordinary Resolution. None of such agents as above mentioned has been involved

in negotiating such proposals or the form of the Extraordinary Resolution and none of them makes any representation that all relevant information has been disclosed to the Bondholders in or pursuant to this Notice. Accordingly, it is recommended that Bondholders who are unsure of the impact of the proposals to be considered at the General Meeting, or the Extraordinary Resolution, should seek their own independent financial, legal and tax advice, as appropriate.

8. ADDITIONAL INFORMATION

Bondholders should contact the following for further information:

- **Consent Solicitation Agent:**

BNP PARIBAS

16, boulevard des Italiens

75009 Paris

France

Tel: + 33 1 40 14 96 73

Attention: Patrice Mouquet

Email: patrice.mouquet@bnpparibas.com

- **Tabulation Agent:**

Lucid Issuer Services Limited

Tankerton Works

12 Argyle Walk

London WC1H 8HA

United Kingdom

Tel: +44 20 7704 0880

Attention: Thomas Choquet

Email: ence@lucid-is.com

This Notice is given by Ence Energía y Celulosa, S.A.

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Mr. Ignacio de Colmenares Brunet
Chief Executive Officer
Ence Energía y Celulosa, S.A.

Madrid, 15 June 2018

DISCLAIMER: This Notice must be read in conjunction with the Consent Solicitation Memorandum. The Consent Solicitation Memorandum contains important information which should be read carefully before any decision is made with respect to the proposals to be considered at the General Meeting. If any Bondholder is in any doubt as to the action it should take or is unsure of the impact of the implementation of the proposals to be considered at the General Meeting, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, accountant or other independent financial, tax or legal adviser. Any individual or company whose Bonds are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the General Meeting or otherwise vote in respect of the proposals to be considered at the General Meeting. None of the Issuer, the Consent Solicitation Agent, the Fiscal Agent, the Paying Transfer and Conversion Agent or the Tabulation Agent makes any recommendation whether Bondholders should participate in the General Meeting or otherwise vote in respect of the proposals to be considered.

Nothing in this Notice or the Consent Solicitation Memorandum constitutes or contemplates an offer of, an offer to purchase or sell or the solicitation of an offer to purchase or sell any security in any jurisdiction. The distribution of this Notice and the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law, and persons into whose possession this announcement or the Consent Solicitation Memorandum comes are requested to inform themselves about, and to observe, any such restrictions.