

## TO THE COMISIÓN NACIONAL DEL MERCADO DE VALORES

In order to comply with article 228 of the Texto Refundido de la Ley de Sociedades de Capital, approved by Royal Legislative Decree 4/2015, of October 23<sup>rd</sup>, PAPELES Y CARTONES DE EUROPA, S.A. (The "Company"), hereby informs the National Securities Market Commission of the following

### RELEVANT FACT

Brief descriptive summary: Call for the General Shareholders' Meeting on June 28th, 2017 at 10:00 on first call and, on the second call, the following day, June 29, at the same time; Agenda and proposals for agreements.

Detail:

NOTIFICATION OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF "PAPELES Y  
CARTONES DE EUROPA, S.A."

The Board of Directors of "PAPELES Y CARTONES DE EUROPA, S.A." (hereinafter, the "Company"), in accordance with applicable legal regulations and pursuant to the provisions of the Company's current Articles of Association, at the meeting thereof, held on 26 May 2017, has resolved to call the Ordinary General Shareholders' Meeting of the Company, that shall be held at Avenida de Fuencarral 98, Alcobendas, 28108 Madrid, on 28 June 2017, at 10:00 am, by way of first call, or on the following day, namely 29 June 2017, at the same place and time, by way of second call, in order to deliberate and adopt resolutions in relation to the issues included within the following agenda to the meeting:

### AGENDA

1. Review and approval of the individual Annual Accounts and Management Report as well as the management activities of the Board of Directors of the Company, for the year ending 31 December 2016.
2. Application of the results of the year 2016.
3. Review and approval of the consolidated Annual Accounts and Management Report for the year ending 31 December 2016.
4. Report regarding the remuneration of Board Members, in accordance with Article 541.4 of the Capital Companies Act, for the advisory vote of the General Shareholders' Meeting.
5. Determination of the remuneration of the Board of Directors.
6. Re-election of "Ernst&Young Auditores, S.L." as the accounts auditors of the Company and of the consolidated Group thereof.
7. Increase in the share capital by the maximum sum of up to 7,789,470 euros by means of the issue and release of up to 3,894,735 new shares with the free assignment and allotment, without consideration, of one new share for every 25 previously existing shares, to be charged against the unrestricted reserves of the Company. Express provision regarding incomplete allotment.

- Delegation of powers upon the Board of Directors, with express authorisation, in turn, to delegate said powers upon the Executive Committee, to establish the terms and conditions of the share capital increase in respect of all aspects not provided for by the General Shareholders' Meeting, to carry out all of the necessary acts for the execution thereof, to adapt the wording of Article 5 of the Articles of Association to the new amount of share capital and to execute all public and private documents necessary for the execution of the share capital increase. Request before the competent bodies for the listing of the new company shares at the Stock Exchanges of Madrid and Barcelona, through the integrated stock exchange system (Electronic Market).
8. Reduction of the share capital by 3,974,736 euros by means of the amortization of 1,947,368 treasury shares, representing 2% of the capital stock. Delegation of powers upon the Board of Directors, with express authorisation to re-delegate said powers, to establish the terms and conditions of the reduction in the share capital in respect of all aspects not provided for by the General Shareholders' Meeting, including, among other aspects, the power to redraft the wording of Article 5 of the Articles of Association and to request the exclusion from trading and the cancellation of the accounting entries of the treasury stock shares that are amortised, as well as to execute all public and private documents that are necessary for the reduction in the share capital.
  9. Approval of the corporate web page "www.europacgroup.com" in accordance with the provisions of Article 11 bis of the Capital Companies Act.
  10. Re-election of the Executive Director, Mr José Miguel Isidro Rincón.
  11. Re-election of the External Director, Mr Juan Jordano Pérez.
  12. Re-election of the Lead Independent Director, Ms Céline Abecassis-Moedas.
  13. Authorisation for the formalisation by way of public deed of the corporate resolutions and the registration thereof.

#### Right of attendance, proxy representation and distance voting

The shareholders that hold 50 or more shares with voting rights may attend the General Shareholders' Meeting, with the right to exercise speaking and voting rights, provided that said shares are registered in their name in the corresponding book entry register at least five (5) days prior to the General Shareholders' Meeting. Any shareholder that has the right to attend the General Shareholders' Meeting may be represented at the meeting by means of another person, whether or not a shareholder.

The shareholders that hold less than 50 shares may group their shares together and confer their representation, in writing, and for the General Shareholders' Meeting, upon any other shareholder that has the right to attend the General Shareholders' Meeting.

The shareholders with the right to attend the meeting may confer their representation or remotely cast their vote in relation to the proposals regarding the points included on the agenda to the meeting either in writing or by postal correspondence (by forwarding to the Company the attendance, delegation and remote voting card, duly completed, and addressed to the Secretary of the Board of Directors of "Papeles y Cartones de Europa, S.A.", at Avenida de Fuencarral 98, Alcobendas, 28108 Madrid, Spain) or by electronic channels (by e-mail with return receipt to the Secretary of the Board of Directors of "Papeles y Cartones de Europa, S.A." via e-mail address: [dcricri@europacgroup.com](mailto:dcricri@europacgroup.com) by forwarding to the Company the attendance, delegation and remote voting card, duly completed and digitally signed by way of the recognised digital signature thereof, based upon the electronic D.N.I. (National Identification Document)

thereof or an electronic certificate issued by the Fábrica Nacional de Moneda y Timbre [National Coinage and Stamp Factory - The Spanish Royal Mint], provided that said certificate has not been revoked).

For the purposes of the provisions of Articles 523 and 526 of the Capital Companies Act, shareholders are hereby informed that the Chairman of the Board of Directors, as well as any other member of the Board of Directors may be subject to conflicts of interest (i) in relation to point 5 of the agenda; (ii) in respect of points 10, 11 and 12 of the agenda, solely and exclusively in respect of the Board Members for which their ratification, re-election and/or appointment is proposed; and (iii) in the situations provided for in paragraphs b) and c) of Article 526.1 of the Capital Companies Act (removal of directors and the exercise of actions for liability against directors) that may be presented outside the terms of the agenda, in accordance with the terms of the Capital Companies Act. In relation to the foregoing situations, if the represented shareholder has not issued precise voting instructions, the representation thereof, except in the case of any express indication to the contrary, shall be deemed to be conferred upon the Secretary of the General Shareholders' Meeting.

The proxy representations and the remote votes cast by means of postal or electronic correspondence must be received by the Company, as a general rule, prior to 00:00 am (midnight) on the day prior to the date of the General Shareholders' Meeting.

#### Right to information

As from the date of publication of this notification, the shareholders shall be entitled to examine at the registered office of the Company, to request the immediate and free of charge issue or remittance (which may be carried out by way of e-mail with return receipt if the shareholder accepts said modality) and to obtain through the corporate web page ([www.europacgroup.com](http://www.europacgroup.com)) a copy of the annual accounts, the proposal for the application of the year's results, the management report, the report of the accounts auditors and the Annual Corporate Governance Report. Furthermore, as from the date of the notification of the General Shareholders' Meeting, the shareholders may examine at the registered office, request the immediate and free of charge issue or remittance of the resolution proposals, the reports and any other documentation that is required to be provided thereto pursuant to applicable law and the Articles of Association of the Company.

As from the date of the publication of this notification and until the fifth day prior to the date of the General Shareholders' Meeting, by way of first call, inclusive, shareholders may request, in writing, the report or clarifications that they deem necessary, or may formulate, in writing, the questions that they deem pertinent, in relation to the points included on the agenda to the meeting. Moreover, within the same period and in the same manner, shareholders may request reports or clarifications, or formulate questions, in writing, in relation to the information that is available to the public and that had been provided by the Company to the Spanish National Securities Market Commission (CNMV) as from the date of the previous General Shareholders' Meeting.

All of the foregoing requests for information may be formulated by means of hand delivery of the request at the registered office of the Company or by means of the remittance thereof to the Company by postal correspondence (addressed to the Secretary of the Board of Directors of "Papeles y Cartones de Europa, S.A.", at Avenida de Fuencarral 98, Alcobendas, 28108 Madrid, Spain) or by way of electronic request, which must include the recognised digital signature of the party that requests said information (by e-mail

with return receipt to the Secretary of the Board of Directors of "Papeles y Cartones de Europa, S.A." via e-mail address: [dcri@europacgroup.com](mailto:dcri@europacgroup.com) digitally signed by way of the recognised digital signature thereof, based upon the electronic D.N.I. (National Identification Document) thereof or an electronic certificate issued by the Fábrica Nacional de Moneda y Timbre [National Coinage and Stamp Factory - The Spanish Royal Mint], provided that said certificate has not been revoked). The request of the shareholder must include the name and surname(s) thereof, and must state the shares that are held thereby, in order that said information may be verified against the list of shareholders and the number of shares in the name thereof, as provided by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." or any other corresponding entity. The shareholder shall be responsible for proving the remittance of the request to the Company within the established period and in the stipulated form.

**Right to request the publication of a complementary notification and to present justified resolution proposals**

The shareholders that represent at least three (3) per cent of the share capital may request that a complementary notification for the General Shareholders' Meeting be published, thereby including one or more points on the agenda thereto, provided that the new points to be included are accompanied by a justified report and resolution proposal, and furthermore may present justified resolution proposals regarding aspects that are already included or that must be included on the agenda to the called General Shareholders' Meeting. The exercise of this right shall be carried out by means of a formal notification that must be received at the registered office of the Company within the period of five days following the publication of the meeting notification. Requests for complementary notifications and the presentation of justified resolution proposals must include the name and surname(s) of the shareholders that file the request, and must state the shares that are held thereby, in order that said information may be verified against the list of shareholders and the number of shares in the name thereof, as provided by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." or any other corresponding entity.

**Exercise of the rights of attendance, delegation or proxy representation, distance voting, information, request for the publication of a complementary notification and presentation of justified resolution proposals**

Without prejudice to the provisions of applicable law and the corporate governance rules of the Company, the exercise of the rights of attendance, delegation or proxy representation, distance voting, information, request for the publication of a complementary notification and presentation of justified resolution proposals may be carried out by means of the hand delivery of the request at the registered office of the Company or by means of the remittance thereof to the Company by postal correspondence (addressed to the Secretary of the Board of Directors of "Papeles y Cartones de Europa, S.A.", at Avenida de Fuencarral 98, Alcobendas, 28108 Madrid, Spain) or by way of electronic request, which must include the recognised digital signature of the party that requests said information (by e-mail with return receipt to the Secretary of the Board of Directors of "Papeles y Cartones de Europa, S.A." via e-mail address: [dcri@europacgroup.com](mailto:dcri@europacgroup.com) digitally signed by way of the recognised digital signature thereof, based upon the electronic D.N.I. (National Identification Document) thereof or an electronic certificate issued by the

Fábrica Nacional de Moneda y Timbre [National Coinage and Stamp Factory - The Spanish Royal Mint], provided that said certificate has not been revoked) or may also be addressed to the Shareholder Service: at Avenida de Fuencarral 98, Alcobendas, 28108 Madrid, Spain, from Monday to Thursday, from 9:00 am to 7:00 pm and Fridays from 9:00 am to 3:00 pm, telephone number (+34) 914 902 160. The request of the shareholder(s) must include the name and surname(s) thereof, and must state the shares that are held thereby, in order that said information may be verified against the list of shareholders and the number of shares in the name thereof, as provided by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." or any other corresponding entity. The shareholder shall be responsible for proving the remittance of the request to the Company within the established period and in the stipulated form.

#### **Additional information and documentation available on the corporate web page**

Shareholders have available via the corporate web page ([www.europacgroup.com](http://www.europacgroup.com)) of the Company, which shall remain permanently available until the day of the General Shareholders' Meeting, the documentation and information that is set out hereinbelow: (1) this notification of the General Shareholders' Meeting; (2) the total number of shares and voting rights as at the date of the meeting notification; (3) the individual annual accounts of the Company and the consolidated annual accounts which include the subsidiary companies thereof for the year 2016 and the respective audit reports thereof; (4) the individual management reports of the Company and the consolidated management reports which include the subsidiary companies thereof for the year 2016; (5) the sworn declarations of the directors that, together with the documents set out in the two preceding points, constitute the annual financial report of the Company for the year 2016; (6) the complete text of the resolution proposals corresponding to the points included on the agenda to the meeting, together with the reports in relation to the resolution proposals that are required or that, alternatively, have been considered pertinent, that is: (7) the report of the Audit Committee on the re-election of Ernst & Young Auditores, S.L. as Auditors of the Company and its consolidated Group; (8) the report of the Board of Directors regarding the increase in the share capital to be charged against the unrestricted reserves; (9) the report of the Board of Directors regarding the reduction in the share capital by means of the amortisation of treasury stock; (9) the report of the Appointments and Remuneration Committee regarding the proposals for the appointment and re-election of Directors; (11) the report of the Board of Directors regarding the proposals for the appointment and re-election of Directors; (12) the Annual Corporate Governance Report for the year 2016; (13) the Annual Report regarding the Remuneration of the Directors; and (14) the template attendance, delegation and remote voting card.

Moreover, shareholders shall have permanently available until the date of the General Shareholders' Meeting, and via the corporate web page of the Company ([www.europacgroup.com](http://www.europacgroup.com)) the information regarding the total number of shares and voting rights as at the date of the publication of this meeting notification.

#### **Electronic shareholders forum**

In accordance with applicable law, an electronic shareholders forum has been set up on the corporate web page of the Company ([www.europacgroup.com](http://www.europacgroup.com)), that may be accessed securely by both individual

shareholders as well as by the voluntary shareholder associations that have been validly incorporated and registered in the special register managed by the Spanish National Securities Market Commission (CNMV) or any other party that may be authorised at law from time to time.

#### **Notary formalities**

The Board of Directors has agreed to request the services of a Notary Public in order to issue a notary certificate regarding the General Shareholders' Meeting, for the purposes of enhanced legal certainty in relation thereto.

#### **Personal data protection**

The personal data that the shareholders provide to the Company (by reason of the exercise or delegation of their rights to information, attendance, proxy representation and voting rights at the General Shareholders' Meeting) or that are provided by the credit institutions and investment services companies at which the shareholders have deposited their shares or by the entities that, in accordance with the securities market regulations, must keep registers of the securities represented by means of book entries, shall be managed by the Company in order to manage, perform and control the relationship with the shareholder (in particular, but not limited to, the calling and holding of the General Shareholders' Meeting and the notification thereof). For said purposes, the information shall be included within files for which the Company is responsible. Said information shall be provided to the Notary Public exclusively in relation to the issue of the notary certificate regarding the General Shareholders' Meeting.

Interested parties shall be entitled to access, correct, challenge or cancel the information held by the Company. Said rights may be exercised, in the terms and complying with the requirements established for said purposes under applicable legislation, by way of letter addressed to the Company, at Avenida de Fuencarral 98, Alcobendas, 28108 Madrid, Spain.

In the event that the attendance, delegation and remote voting card of the shareholder includes personal information in relation to other natural persons, the shareholder must inform said persons of the terms of the preceding paragraphs and must comply with any other requirements that may be applicable for the correct disclosure and transfer of the personal information to the Company, without the Company having to perform any other action whatsoever.

### Additional information

In order to obtain further information regarding the General Shareholders' Meeting, please contact the Shareholder Service: at Avenida de Fuencarral 98, Alcobendas, 28108 Madrid, Spain, telephone number: (+34) 914 902 160, from Monday to Thursday, from 9:00 am to 7:00 pm and Fridays from 9:00 am to 3:00 pm, e-mail: [dcric@europacgroup.com](mailto:dcric@europacgroup.com).

Shareholders are hereby notified that it is expected that the General Shareholders' Meeting shall be held by way of first call.

In Alcobendas (Madrid, Spain), 26 May 2017.

---

The Chairman of the Board of Directors, Mr José Miguel Isidro Rincón  
**Papeles y Cartones de Europa, S.A.**



FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE  
ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF  
THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

On the basis of the reports submitted and after examining the annual accounts and other documentation made available to the directors, the Board of Directors of PAPELES Y CARTONES DE EUROPA, S.A. (EUROPA&C or the "Company") unanimously agreed on 26 May 2017 to propose the approval of the following items by the company's General Shareholders' Meeting:

---

1. **Examination and approval of the Company's individual Annual Accounts and Management Report and the management of the Board of Directors for the financial year ended 31 December 2016**

---

**PROPOSAL**

To approve the individual annual accounts for the financial year ended 31 December 2016, comprising the statement of financial position, income statement, statement of changes in equity, statement of cash flows and the notes to the financial statements, all of which were prepared using the ordinary format, as prepared by the Board of Directors in its meeting held on 28 February 2017 and verified by the Company's auditor, as shown in its audit report.

To approve the individual management report corresponding to the financial year ended on 31 December 2016, as prepared by the Board of Directors in its meeting held on 28 February 2017 and the management conducted by the governing body during said financial year.

---

2. **Application of the profit for 2016**

---

**PROPOSAL**

The individual income statement shows that during the financial year ended 31 December 2016, the Company obtained a profit in the amount of **54,896,839.26 euros**, which is approved to be applied in accordance with the proposal made by the Board of Directors on 28 February 2017, as follows:

- **5,489,683.93 euros** to the legal reserve.



## FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

- **20,509,860.05 euros** to the voluntary reserve.
- **28,897,295.29 euros** to the distribution of dividends among the Company's outstanding shares three days prior to the effective distribution date. Of this dividend, a total of 8,673,494.50 euros was distributed on 23 February 2017 pursuant to the resolution of the Board of Directors of 31 January 2017.

To authorise the Chairman of the Board of Directors and/or the Board of Directors jointly and severally, and with the power of sub-delegation, to conduct the effective distribution of the dividend in a period of two months from this approval, as well as to designate the Agent Bank and to perform all necessary proceedings and processes for this purpose.

---

### 3. Examination and approval of the consolidated annual accounts corresponding to the financial year ended 31 December 2016

---

#### PROPOSAL

To approve the consolidated annual accounts for the financial year ended 31 December 2016, comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, as prepared by the Board of Directors in its meeting held on 28 February 2017 and verified by the Company's auditor, as shown in its audit report.

To approve the consolidated management report for the financial year ended 31 December 2016, as prepared by the Board of Directors on 28 February 2017.

It is hereby stated that, in accordance with the content of the consolidated notes to the financial statements, the consolidated group comprises Papeles y Cartones de Europa, SA, Europa & C Portugal SGPS, SA Europa & C Embalagem, SA, Lepe - Empresa Portuguesa de Embalagens, Ovar, SA, Europa & C Distribuição da Madeira, Lda., Europa & C Kraft Viana, SA, Europa & C Recicla Portugal, SA, Europa & C Energia Viana, SA, Europa & c Logística, Lda. Imob., Iberian Forest Fund - Special Fund of Invest.Imob.Florest., Greenfrequency Energía, SA, Heirs of D. Timoteo SL, Europac Recicla, SA., Europac Papeterie de Rouen, SAS, Europac Cartonnerie de Rouen, SAS, Europac Cartonnerie Atlantique, SAS, Europac Cartonnerie Savoie, SAS, SCI Europac, SC, Med Packaging, SALR, Vianaport - Empresa de Trabalho Portuário Lda, Cartonajes Santander, SL, Cartonajes Cantabria SL, Euskocarton SL and Industria Cartonera Asturiana, SA., with the parent company being Papeles y Cartones de Europa, SA

FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE  
ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

---

4. Report on Remuneration of Directors in accordance with Article 541.4 of the Capital Companies Act, to be put to an advisory vote

---

**PROPOSAL**

To approve the annual directors' remuneration report, dated 28 February 2017, which is to be made available to the shareholders together with the other documentation relating to the General Meeting as from the date the meeting is called.

This vote is of an advisory nature.

---

5. Setting the remuneration of the Board of Directors

---

**PROPOSAL**

In accordance with the provisions of the Articles of Association and pursuant to the proposal of the Appointments and Remuneration Committee dated 26 May 2017, to decide on:

- Setting the annual remuneration of the Board of Directors for 2017, in accordance with Article 46.4 of the Articles of Association, at 1.171.000 euros.
- Maintenance of attendance fees for each meeting of the Board of Directors for 2017 at 3.000 euros per session.
- The remuneration of the Board of Directors set out in the Articles of Association of 1.5 % of the Company's profits for 2016, that is, 823.455 euros, as all directors have waived 2.5 % of said sum.

The Board of Directors is expressly empowered to distribute, on the basis of a report from the Appointments and Remuneration Committee, the remuneration included in the first and third paragraphs among its different members in accordance with the Company's Remuneration Policy.

---

6. Re-election of Ernst & Young Auditores, S.L. as the Company's auditors

---

**PROPOSAL**

---

To re-elect Ernst & Young Auditores, S.L., a company with registered address at Pablo Ruiz Picasso 1, 28020 Madrid, registered in the Companies Registry of Madrid in Volume 12,749, Book 0, Section 8, Folio 215 and Page

## FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

M-23123, registered with Number 50530 in the Official Registry of Accounts Auditors of the Accounting and Auditing Institute and with Tax Identification Number B-78970506, as the Company's auditors, for a period of one year, that is, from 1 January 2017, to conduct the audit of both the individual and the consolidated financial statements for the year ended 31 December 2017.

The Governing Body is expressly empowered to delegate to any of its members the negotiation and signing of the appropriate contracts.

---

7. Capital increase up to a maximum amount of 7,789,470 euros by issuing up to 3,894,735 shares with the free allocation of one new share for every 25 old shares charged to unrestricted reserves. Express provision of the possibility of incomplete allocation. Delegation of powers to the Board of Directors, with the power of substitution by the Executive Committee, to set the conditions of the bonus issue in all aspects not decided by this General Meeting, perform the acts necessary for its execution, adapt the wording of Article 5 of the Articles of Association to the new figure for the share capital and to execute any public and private documents that may be necessary to execute the bonus issue. Request to the competent bodies for admission to trading of the new shares in the Stock Exchanges of Madrid and Barcelona through the integrated stock exchange system (Electronic Market)

---

### PROPOSAL

#### 1. Capital increase

It is agreed, in accordance with Article 303 of the Capital Companies Act, to increase the Company's share capital by a maximum of 7,789,470 euros by issuing and putting into circulation up to 3,894,735 new shares.

The new shares are issued at par value, i.e. at their nominal value of two (2) euros, with no share premium, and they will be allocated free of charge to the shareholders of Papeles y Cartones de Europa S.A. at a rate of one new share for every 25 old shares.

The capital increase will be fully charged to reserves in accordance with Article 303 of the Capital Companies Act, with all issue, allocation, circulation and admission to trading expenses to be borne by the Company. Nevertheless, subscribers shall pay the expenses and commissions relating to the subscription, management and deposit of the shares issued as a result of this capital increase.

The capital increase may be executed, within one year following the date that this resolution is adopted, by the Board of Directors, with the power of substitution by the Executive Committee, at its exclusive discretion and

## FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

therefore without the need to once again consult the General Shareholders' Meeting, and in accordance with the legal and financial conditions at the time the capital increase is performed.

Article 311 of the Capital Companies Act provides for the possibility of incomplete allocation of the increase in the event of a waiver of all or part of the free allocation rights by those holding such rights. Therefore, in the event of such a waiver, the capital will be increased by the corresponding amount.

### **2. Free allocation rights**

Each share of the Company will grant a free allocation right, with 25 free allocation rights required in order to obtain a new share. Consequently, recognised shareholders will be entitled to receive one new share for every 25 old shares that they hold.

The free allocation rights will be allocated to Company's shareholders that are recognised as such in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) on the corresponding date in accordance with the securities clearing and settlement rules applicable at any time. During the trading period of the free allocation rights, a sufficient number of said rights may be acquired in the necessary proportion so as to subscribe new shares. The free allocation rights may be traded in the market during the period determined by the Board with a minimum of fifteen calendar days, starting on the trading day following publication of the announcement of the offer in the Official Companies Registry Gazette.

### **3. Balance sheet for the operation and reserve charged for the increase**

The balance sheet acting as the basis for the operation is that corresponding to 31 December 2016, duly audited and approved by the Ordinary General Shareholders' Meeting.

As indicated above, the capital increase will be made entirely from the unrestricted reserve named voluntary reserves, from undistributed profits, which amounted to 9,734,104.12 on 31 December 2016.

### **4. Representation of the new shares**

The shares issued will be represented by book entries, the accounting of which is performed by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its subsidiaries.

### **5. Rights of the new shares**

## FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

The new shares will give their owners the same voting and economic rights as the Company's ordinary shares currently in circulation as from the date on which they are declared subscribed and paid-up.

### 6. Shares held on deposit

Once the trading period of the free allocation rights has ended, the new shares which it has not been possible to allocate for reasons not attributable to the Company will be held on deposit available for those who prove recognised ownership of the corresponding free allocation rights.

Three years after the end of the trading period for the free allocation rights, shares that are still pending allocation may be sold in accordance with the provisions of Article 117 of the Capital Companies Act at the risk and expense of the interested parties. The net amount of the aforementioned sale will be deposited with the Bank of Spain or the Government Depository and available to the interested parties.

### 7. Application for admission to official trading

It is agreed to apply for admission to trading of the new shares on the Madrid and Barcelona Stock Exchanges, through the Integrated Stock Exchange System (Electronic Market), with it expressly recorded that the Company is subject to any rules that exist or may be issued with regard to the Stock Exchange.

In accordance with Article 34.2 of the Recast Text of the Securities Market Act and Article 26.1.e) of Royal Decree 1310/2005, of 4 November, it will not be necessary to publish a prospectus for the admission to trading of the new shares providing a document is available that contains information on the number and nature of the shares and the reasons and details of the offer.

### 8. Execution of the increase

Within one year from the date of this resolution, the Board of Directors or, as the case may be, the Executive Committee, may agree to carry out the increase and set the terms of this increase in all matters not provided for in this resolution. Nevertheless, in the event that the Board of Directors or, as the case may be, the Executive Committee, does not consider it appropriate to execute the share increase in the aforementioned period, it may submit the possibility of revoking said increase to the General Meeting.

Once the trading period for the free allocation rights has ended:

(a) The new shares will be allocated to those who, in accordance with the accounting records of Iberclear and its subsidiaries, are entitled to free allocation rights in the proportion set out in paragraph 2 above.

## FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

(b) The Board of Directors, or the body or person to which it delegates, will declare the trading period for the free allocation rights closed and shall proceed to formalise the accounting of the application of the voluntary reserves to the amount of the capital increase, which is deemed to be paid-up with said application.

Similarly, once the trading period for the free allocation rights has ended, the Board of Directors, or the body or person to which it delegates, will adopt the corresponding resolutions to amend the Articles of Association to reflect the new figure for the capital resulting from the increase and to request admission to trading of the new shares on the Madrid and Barcelona Stock Exchanges.

### 9. Delegation for execution

It is agreed to delegate to the Board of Directors, with the power of substitution by the Executive Committee, its Chairman, Vice-Chairman, as the case may be, and Secretary, in accordance with the provisions of Article 297 of the Capital Companies Act, the power to set the conditions of the capital increase in all matters not provided for in this resolution. In particular, and for merely informative purposes, the following powers:

- a) Indicating the date on which the resolution thus adopted to increase the share capital shall be carried out, at any event within a period of one year following its approval.
- b) Setting the exact amount of the capital increase, the number of new shares and the free allocation rights necessary for allocation of new shares, applying for this purpose the rules established by this Meeting and bearing in mind the number of new shares which are finally issued in the share capital should be a whole number and not a fraction.
- c) Designating the company or companies that will take on the functions of agent and/or financial adviser of the capital increase and entering into any resulting contracts and documents that are necessary for said purpose.
- d) Setting the duration of the trading period for the free allocation rights.
- e) Declaring the capital increase closed and executed, setting for this purpose the number of new shares effectively allocated and, therefore, the amount in which the Company's share capital must be increased in accordance with the rules established by this General Shareholders' Meeting, and declaring, as the case may be, the incomplete allocation.
- f) Rewording Article 5 of the Company's Articles of Association relating to the share capital so as to adapt it to the results of the implemented share increase.
- g) Performing all the procedures necessary for the new shares resulting from the capital increase to be registered in the accounting records of Iberclear and admitted to trading on the Stock Exchanges in which the shares of the Company are listed in accordance with the procedures established in each one of said exchanges.

## FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

- h) Performing any actions as may be necessary or appropriate to execute and formalise the capital increase with regard to any public or private entities and bodies, whether Spanish or foreign, including those necessary to declare, supplement or remedy defects or omissions which might prevent or hinder full effectiveness of the above resolutions.

The Board of Directors is expressly authorised to delegate, under the terms of Article 249.2 of the Capital Companies Act, the powers to which this resolution refers.

---

**8. Reduction of the share capital by 3,974,736 euros by means of the amortization of 1,947,368 treasury shares, representing 2% of the capital stock. Delegation of powers to the Board of Directors, with express power of substitution, to set the conditions for the reduction in all matters not provided for by this General Meeting, including, among other aspects, the power to reword Article 5 of the Articles of Association and to request the delisting and removal from the accounting records of the shares that are cancelled, as well as to execute any public or private documents that may be necessary to implement the reduction.**

---

### PROPOSAL

It is agreed to approve the reduction of the Company's share capital in an amount of 3.894.736 euros, through the cancellation of 1.947.368 shares held by the Company as treasury shares, each with a par value of two (2) euros and which represent 2% of the Company's share capital on the date of approval of the resolution by the General Meeting. The final amount of the capital reduction shall be set by the Board of Directors or, as the case may be, by the Executive Committee, in the execution resolution, paying particular attention to the result of the increase in the paid-up share capital referred to in Point 7 of the agenda to the General Meeting which, as the case may be, may be executed prior to the capital reduction.

Consequently, once the capital reduction has been carried out, Article 5 of the Articles of Association, relating to the share capital, will be amended in order to reflect the figure for the capital and the number of outstanding shares resulting from the capital reduction (bearing in mind, as the case may be, the figure for the share capital existing at that time depending on whether the bonus issue referred to in Point 7 of the agenda to the General Meeting has previously been executed).

The capital reduction through the cancellation of treasury shares is carried out from voluntary or unrestricted reserves, establishing a corresponding reserve for cancelled capital for an amount equal to the value of the treasury shares effectively cancelled, which may only be used in compliance with the requirements for the share capital reduction provided for in Article 335(c) of the Capital Companies Act. According to this article, the Company's creditors do not have the right of objection provided for in Article 334 of the Capital Companies Act.

## FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

Since the shares to be cancelled are owned by the Company, the capital reduction does not involve the return of contributions.

In addition, it is agreed to empower the Board of Directors, with the express power of substitution by the Executive Committee, so that, in a period no longer than one (1) year following the approval of this resolution, providing there are no legal or contractual obstacles, it may execute the resolution, with the ability to determine those points that have not been expressly set out therein or which are a consequence thereof. Notwithstanding the above, the power not to execute the resolution in the aforementioned period is expressly delegated to the Board of Directors if, in its opinion, the general market conditions or other circumstances that might negatively affect the Company make it inadvisable or impossible to execute the resolution. In that case, the Board of Directors would inform of the decision not to execute the capital reduction through the corresponding publication as significant information through the CNMV's website.

For informative purposes, the following powers are delegated to the Board of Directors, with the express power of substitution by the Executive Committee, its Chairman, Vice-Chairman or Secretary:

- a) Indicating the date on which the resolution thus adopted to reduce the share capital shall be carried out, in any case within a period of one year following its approval, setting the final figure for the capital reduction based on the provisions of this resolution.
- b) Designating the company or companies that will take on the functions of agent and/or financial adviser of the capital reduction and entering into any resulting contracts and documents that are necessary for said purpose.
- c) Declaring the capital reduction closed and executed, setting for these purposes the final number of shares to be cancelled and appearing before a Notary Public to execute the corresponding instrument recording the capital reduction.
- d) Rewording Article 5 of the Company's Articles of Association, relating to the share capital, to adapt it to the result of the execution of the capital reduction.
- e) Carrying out such actions as may be necessary or advisable to execute and formalise the capital reduction before any public or private entities or bodies, whether Spanish or foreign, including those declaring, supplementing or remedying defects or omissions that might prevent or hinder full effectiveness of the above resolutions. Writing, signing and submitting any additional or supplementary documentation or information as may be necessary before the Spanish National Securities Market Commission (CNMV), the Stock Exchanges, the National Securities Numbering Agency and Iberclear.



FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE  
ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

---

9. Approval of the corporate website, "[www.europacgroup.com](http://www.europacgroup.com)", in accordance with the provisions of Article 11 *bis* of the Capital Companies Act

---

**PROPOSAL**

In accordance with the provisions of Article 11 *bis* of the Recast Text of the Capital Companies Act, to approve the creation of the company's corporate website with the address [www.europacgroup.com](http://www.europacgroup.com).

---

10. Re-election of the executive director Mr. José Miguel Isidro Rincón

---

**PROPOSAL**

To re-elect, on the basis of a favourable report by the Appointments and Remuneration Committee, as a member of the Board of Directors, with effect from the date of this Meeting and for the period established in the Articles of Association of four (4) years, Mr. José Miguel Isidro Rincón, with the category of executive director.

---

11. Re-election of the external director Mr. Juan Jordano Pérez

---

**PROPOSAL**

To re-elect, on the basis of a favourable report by the Appointments and Remuneration Committee, as a member of the Board of Directors, with effect from the date of this Meeting and for the period established in the Articles of Association of four (4) years, Mr. Juan Jordano Pérez, with the category of external director.

---

12. Re-election of the independent director Ms. Céline Abecassis-Moedas

---

**PROPOSAL**

To re-elect, on the proposal of the Appointments and Remuneration Committee and on the basis of a favourable report by the Board of Directors, as a member of the Board of Directors, with effect from the date of this Meeting

## FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

and for the period established in the Articles of Association of four (4) years, Ms. Celine Abecassis-Moedas, with the category of lead independent director.

---

### 13. Authorisation for the notarisation of resolutions and registry filing

---

#### PROPOSAL

- a. To authorise the Board of Directors so that it may in turn delegate to whomever it considers appropriate the powers conferred pursuant to all the above resolutions to the extent that they may be delegated.
- b. To expressly authorise, as broadly as is required in law, the Chairman and Non-Director Secretary of the Company's Board of Directors so that either of them, indistinctly and with one single signature, and with regard to the resolutions adopted in this General Shareholders' Meeting, may notarise the resolutions, providing them with special powers in all aspects necessary for their development and compliance; so that they may sign any public or private documents that may be necessary and so that they may perform any actions as may be appropriate for their best execution, including the publication of legal announcements, before any public or private bodies or instances, up to their registration with the Companies Registry or other appropriate Public Registries, with the additional power to execute any instruments for ratification, rectification, remedy and clarification in view of the oral suggestions or written classification of the Companies Registrar, with the ability to request partial registration of the resolutions that may be registered, of the Ministry of the Economy, the Ministry of Finance, of the National Securities Market Commission and any other competent public or private body; so that they may perform any procedures that may be appropriate before the competent bodies in order to execute and complete the approved resolutions; and in general for any appropriate actions relating to the resolutions adopted in this General Meeting.
- c. To expressly delegate to the Board of Directors, with the power of substitution, with all the necessary powers in law, in order to:
  - (i) Remedy, clarify, specify or complete the resolutions adopted by this General Shareholders' Meeting, or those that are recorded in any instruments or documents granted in execution thereof, and in particular, any omissions, defects or errors of substance or form that prevent registration of these resolutions and their consequences in the Companies Registry.
  - (ii) To resolve any doubts arising in connection with the resolutions adopted by this General Shareholders' Meeting

FORMULATION OF THE PROPOSALS TO BE SUBMITTED FOR THE APPROVAL OF THE  
ORDINARY GENERAL SHAREHOLDERS' MEETING OF 28 JUNE 2017

- (iii) To delegate to one or more of its members, jointly or severally, with the power of substitution, all or part of the powers it deems appropriate from among those that correspond to the Board of Directors and all those expressly attributed to it by this General Shareholders' Meeting.

\*\*\*\*\*