

ENCE ENERGÍA Y CELULOSA, S.A. (the “Company”), pursuant to article 228 of the Securities Market Act, proceeds under this letter to communicate the following:

RELEVANT EVENT

The Board of Directors of the Company, in today’s session, has decided to call the Ordinary Annual Shareholders’ Meeting of the Company, which will be held in Wellington Hotel, Velázquez Street, 8, 28001, on 15 March 2016, at 12:30 pm, at first call, or on 16 March 2016, at the same place and time, at second call.

Attached to this communication is the text of the aforementioned call, including the Annual Shareholders’ Meeting agenda, which will be published in the following days in the relevant legal and statutory terms, as well as the complete text of the motions submitted by the board of directors to the general shareholders' meeting regarding the different items of the agenda.

For purposes of exercise of the shareholders’ right to information, the aforementioned documents, as well as the remaining Annual Shareholders’ Meeting documents specified in this announcement, are available to shareholders in the Company registered address and in the Company website (www.ence.es).

Madrid, 12 February 2016

ENCE ENERGÍA Y CELULOSA, S.A.

ANNOUNCEMENT OF THE ANNUAL GENERAL SHAREHOLDERS' MEETING

The board of directors of ENCE ENERGÍA Y CELULOSA, S.A. hereby calls shareholders to attend the annual general meeting, which will be held at Hotel Wellington, calle Velázquez, 8, 28001 Madrid, on 15 March 2016, at 12:30 pm, on first call, or on the following day, that is 16 March 2016, at the same time and venue, on second call. The agenda for the meeting will be as follows:

AGENDA

- First.** Examination and, as the case may be, approval of the financial statements and directors' report of both ENCE ENERGÍA Y CELULOSA, S.A. and its consolidated group for the financial year ending 31 December 2015.
- Second.** Examination and, as the case may be, approval of the proposed appropriation of profit or loss for the accounting period ended 31 December 2015 for ENCE ENERGÍA Y CELULOSA, S.A.
- Third.** Examination and, as the case may be, approval of the work carried out by the board of directors of ENCE ENERGÍA Y CELULOSA, S.A. during the year ended 31 December 2015.
- Fourth.** Reappointment and appointment of board members:
- Four A:** Reappointment of Fernando Abril-Martorell Hernández as other non-executive director, upon the proposal of the board of directors.
- Four B:** Reappointment of José Guillermo Zubía Guinea as independent director, upon the proposal of the appointments and remuneration committee.
- Four C:** Reappointment of Isabel Tocino Biscarolasaga as independent director, upon the proposal of the appointments and remuneration committee.
- Four D:** Appointment of Mr. Luis Lada Díaz as independent director, upon the proposal of the appointments and remuneration committee.
- Fifth.** Re-election of auditors of the Company and of its consolidated group.
- Sixth.** Approval, as the case may be, of the amendments to certain articles of the Company's bylaws.
- Six A:** Approval of the amendment of article 43 of the bylaws (insurance and pension schemes) in relation to long-term savings schemes intended for board members.

Six B: Approval of the amendment of article 49 of the bylaws (delegated and consultative bodies of the Board of Directors), in relation to focal points of the action plan intended to correct deficiencies detected from assessments of the board of directors.

Six C: Approval of the amendment of article 51 of the bylaws (Audit Committee) in relation to the membership and functions of the audit committee.

Six D: Approval of the amendment of article 51 bis of the bylaws (Appointments and Remuneration Committee) in relation to the membership and functions of the appointments and remuneration committee.

- Seventh.** Approval, where applicable, of the long-term incentives plan for the period 2016-2018.
- Eighth.** Delegation of powers to interpret, further specify, rectify, implement and formalise the resolutions adopted at the general shareholders' meeting.
- Ninth.** Consultative vote on the 2015 annual report on board member remuneration.
- Tenth.** Information concerning the amendments made to the regulations of the Company's board of directors since the last general shareholders' meeting, pursuant to article 528 of the Spanish Capital Enterprises Act.

ADDENDUM TO THE NOTICE OF MEETING AND PRESENTATION OF MOTIONS

In accordance with the Spanish Capital Enterprises Act, shareholders accounting for at least three per cent of share capital may request the publication of an addendum to this notice of a general meeting in order to include one or more additional agenda items (provided the new items are accompanied by grounds or, as the case may be, a motion); and present grounded motions on items already included on the agenda or that should be added to the agenda. This right must be exercised by service of notification by a reliable method received at the registered office (Calle de Beatriz de Bobadilla, No 14, Planta 4ª, 28040, Madrid) within five days of the date of publication of this notice, with an indication of the names of the shareholders exercising the right and the number of shares they own, in addition to the items to be added to the agenda or the content of the proposed resolutions, accompanied by any other relevant documentation.

The supplementary notice will be published at least fifteen days before the date set for the meeting.

The foregoing shall be without prejudice to the right of any shareholder to present, during the general meeting, alternative proposals or proposals on matters that need not be included in the agenda, pursuant to the Capital Enterprises Act.

RIGHT TO INFORMATION

In accordance with the provisions of the Spanish Capital Enterprises Act, the Company's bylaws and the general meeting regulations, it is hereby stated that from the date this notice is published, shareholders will have immediate and free access to the following documents, which may be obtained from the Company's Investor Relations Department (located at the Company's registered office at Calle de Beatriz de Bobadilla nº 14, Planta 4ª, 28040), or from the Company's web page (www.ence.es), or which shareholders may request the Company to send them by post to the aforementioned address:

1. This notice of meeting.
2. Full text of the proposed resolutions to be submitted to the shareholders at the general meeting.
3. The complete text of the financial statements and directors' report for the year ended 31 December 2015, both for the Company and its consolidated Group, together with the corresponding auditors' report.
4. In respect of the proposed re-election and appointments of directors:
 - (i) report of the board of directors appraising the competencies, experience and merits of the board members proposed for re-election or appointment; and
 - (ii) report of the appointments and remuneration committee in relation to the proposal to re-elect José Guillermo Zubía Guinea and Isabel Tocino Biscarolasaga and to appoint Mr. Luis Lada Díaz, as independent directors, and in relation to the re-election of Fernando Abril-Martorell Hernández as other non-executive director.

5. Board of Directors report on the proposed modification of certain articles of Company's bylaws, with respect to item six on the agenda.
6. 2015 annual report on directors' remuneration.
7. Audit Committee report on proposed modification of Company board of directors regulations with respect to item ten on the agenda.
8. Board of directors report on the independence of the auditor.
9. Annual corporate social responsibility report.
10. Card for attendance, proxy and postal voting

The 2015 annual corporate governance report will be made permanently available to shareholders from the date of the notice of meeting through to the scheduled date of the general meeting, and may be consulted at the Company's registered office (Calle de Beatriz de Bobadilla nº 14, Planta 4ª, Madrid 28040) and on the Company's website (www.ence.es).

Furthermore, and from the call date onward, the total number of shares and voting rights existing as of that date will be published without interruption on the Company's website (www.ence.es), as will the motions submitted by shareholders in accordance with the procedure prescribed by law and the bylaws, which will be published as and when they are received.

For the purposes of exercising the right to obtain information prior to the general meeting pursuant to articles 197 and 520 of the Spanish Capital Enterprises Act, and in accordance with article 34 of the bylaws and article 8 of the regulations of the general meeting, shareholders may, up until the fifth day before the date the general meeting is to be held and in addition to their right to obtain information on the items included on the agenda, request further information or clarifications or raise questions in writing regarding the public information that the Company has provided to the Spanish CNMV from the date the last general meeting was held and also in relation to the auditors' report. Requests for information may be made by delivering the request to the Company's aforementioned registered office or by sending it by post to the same address (Calle de Beatriz de Bobadilla nº 14, Planta 4ª, 28040, Madrid). The petitioner must accredit his or her identity and his or her shareholder status. The shareholder will be responsible for sending the request in due form and time. The Company's web page contains the relevant explanations for shareholders to exercise their right to information in accordance with applicable law.

For any doubts regarding the delivery of documentation or other matters related to this call, shareholders may approach the Investor Relations Department at the aforementioned address or by calling the shareholder information service on (+34) 91 312 86 38 from 09:00 through to 13:00, Monday to Friday.

RIGHT TO ATTEND

Pursuant to article 30 of the Company's bylaws and article 11 of the general meeting regulations, all Company shareholders whose shares appear registered under their name in the corresponding accounting records five days ahead of the date on which the meeting is to be held may attend the general meeting. In order to exercise their right to attend shareholders must obtain the corresponding attendance card no later than two days ahead of the date of the meeting. The card is issued by the entities participating in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (depository entities). As an alternative, they may attend the general meeting by presenting the attendance card available on the Company's website, which can be printed and used by those who so wish. The depository entities must send a list of the cards they have issued upon the request of their clients to the Legal Services department of ENCE ENERGÍA Y CELULOSA, S.A. (Madrid, Calle de Beatriz de Bobadilla nº 14, Planta 4ª, 28040) before the scheduled date of the general meeting.

Within the period mentioned above, shareholders may also obtain the aforementioned card at the Company's registered office (Calle de Beatriz de Bobadilla nº 14, Planta 4ª, 28040 Madrid), depositing the certificate of the custodians accrediting the registration of their shares in the corresponding Book Entry Register. The attendance card provided by the Company also provides for the possibility of appointing the shareholder's proxy for the purposes indicated below.

Registration of attendance and voting cards will commence at 11:30 am and accreditations will be accepted until 12:30 pm, the specified starting time of the meeting. Shareholders are kindly asked to attend with sufficient lead time to facilitate the process of registration and organisation of the meeting.

RIGHT TO A PROXY

Under the terms of article 31 of the Company bylaws and 10 of the general meeting regulations, shareholders that do not attend the meeting may empower another person, whether a shareholder or not, to represent them.

Without prejudice to that established under the law for cases of family acting as proxies and for granting general powers, the proxy must be appointed in writing and especially for this meeting by duly completing and affixing the original handwritten signature of the shareholder to the attendance card and proxy form provided by the custodian or by the Company itself, which is available on the Company's web page and ready for printing and use by persons who so wish.

Proxies can also be appointed or communicated to the Company by sending the duly completed attendance card and proxy form provided by the custodian or the Company itself affixed with the original handwritten signature of the shareholder to the Company's registered office by post (Calle de Beatriz de Bobadilla nº 14, Planta 4ª, 28040, Madrid). The proxy appointed or communicated by these means must be received by the Company by 12 am of

the day prior to the date the meeting is to be held on first call. Otherwise, the proxy will not be valid and will be deemed as not having been appointed. The person to whom the vote is delegated may only exercise it by personally attending the general meeting. In the event that voting instructions are not given for the matters not included on the agenda, the proxy may vote in the manner they deem best suits the interests of their principal. The proxy is always revocable. Attendance by the proxy at the meeting, whether in person or having voted remotely, entails the revocation of any delegation, no matter the date thereof.

VOTING BY REMOTE MEANS

Pursuant to article 36 of the Company's bylaws and article 25 of the general meeting regulations, shareholders entitled to attend the general meeting may cast their vote on motions relating to items on the agenda via post, by sending the attendance card and ballot provided by the custodian, duly completed and bearing the shareholder's handwritten signature, to the Company's registered office (Calle de Beatriz de Bobadilla nº 14, Planta 4ª, 28040, Madrid).

In the event that the ballots issued by the aforementioned entities do not provide for the possibility of casting the vote remotely via post and, shareholders with the right to attend the general meeting who wish to cast their vote by such means may obtain the aforementioned ballot at the Company's registered office (Calle de Beatriz de Bobadilla nº 14, Planta 4ª, 28040, Madrid) and, likewise, it is available on the Company's web page ready for printing and use by persons who so wish. This ballot, duly completed and affixed with the shareholders handwritten signature must be sent to the Company at the address indicated together with the attendance card provided by the custodian or that provided by the Company itself under the terms mentioned above.

The vote cast by post must be received by the Company 24 hours prior to the day the meeting is to be held. Otherwise, the vote will not be valid and will be deemed as not having been cast.

Shareholders with the right to attend who cast their vote under the terms indicated will be considered to be in attendance for the purposes of convening the meeting and, consequently, any delegation of powers made previously will be deemed revoked and those made subsequently will be understood as not to have been made. Votes cast by post will be voided due to subsequent and express revocation carried out by the same means within the period established for such revocation to be issued, attendance in person at the meeting of the shareholder who had cast it and due to the disposal of the shares in relation to which the right to vote was exercised, regarding which the Company has prior knowledge.

SHAREHOLDERS' ELECTRONIC FORUM

In accordance with article 539.2 of the Spanish Companies Law from the publication of this call, an electronic forum for shareholders will be set up on the Company's web page which can be accessed by shareholders and voluntary associations incorporated and registered in the

special register established for such purposes by the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores – CNMV).

Proposals intended to be presented as a supplement to the agenda announced in the call, requests for accession to such proposals, initiatives to reach the necessary percentage to exercise a non-controlling right envisaged under the law, as well as offers or requests for voluntary proxies may be published in the forum.

The forum does not constitute a channel of communication between the Company and its shareholders and is set up for the sole purpose of facilitating communication between the shareholders of ENCE ENERGÍA Y CELULOSA, S.A. for the purposes of the general meeting being held.

Access to the forum and its terms of use and operation will be governed by the provisions of this notice of meeting and by the rules of the forum, which can be consulted on the Company's website (www.ence.es).

PRESENCE OF A NOTARY AT THE MEETING

The board of directors has decided to request the attendance of a notary at the meeting to draw up the minutes in accordance with article 203 of the Spanish Capital Enterprises Act.

PERSONAL DATA PROTECTION

The personal data that the shareholders provide the Company in order to exercise or delegate their rights to access the electronic forum, and to attend and vote at the general meeting or which are furnished for these purposes by banks and companies and securities dealers in which the aforementioned shareholders have deposited their shares or in which they are being held, shall be processed by the Company for the purpose of managing the development, compliance and control of the existing shareholder relationship with regard to the calling and holding the general meeting. The information will be added to data files in relation to which **ENCE ENERGÍA Y CELULOSA, S.A.** is the data controller.

In all cases and insofar as legally admissible, the data subject will be entitled to access, rectify, block and erase his or her data compiled by **ENCE ENERGÍA Y CELULOSA, S.A.** These rights may be exercised by writing to **ENCE ENERGÍA Y CELULOSA, S.A, Investor Relations Department**, , Calle de Beatriz de Bobadilla nº 14, Planta 4ª, Madrid 28040, enclosing a photocopy of the subject's national identity card or passport. In the event that the attendance card, proxy form and ballot includes personal data regarding individuals other than the owner, the shareholder must inform them of the information contained in the previous paragraphs and comply with any other requirements which may be applicable for the proper transfer of the personal data to the Company without requiring that the Company carry out any additional actions.

ADDITIONAL INFORMATION

HOLDING OF MEETING ON SECOND CALL

Shareholders are reminded that unless stated otherwise in the daily press, the meeting is expected to be held on second call on 16 March 2016, at 12:30 at the venue stated above.

From one hour before the start of the meeting and at the meeting venue, shareholders or their representatives may submit to the staff responsible for registering shareholders their respective attendance cards and proxy forms and, as the case may be, the documents accrediting their legal representation.

Madrid, 12 February 2016
Secretary to the board of directors
José Antonio Escalona de Molina

COMPLETE TEXT OF THE MOTIONS SUBMITTED BY THE BOARD OF DIRECTORS OF ENCE ENERGÍA Y CELULOSA, S.A. TO THE GENERAL SHAREHOLDERS' MEETING SCHEDULED FOR 15 MARCH 2016 ON FIRST CALL, AND FOR 16 MARCH 2016 ON SECOND CALL

First. Examination and, as the case may be, approval of the financial statements and directors' report of both ENCE ENERGÍA Y CELULOSA, S.A. and its consolidated group for the financial year ending 31 December 2015.

Proposal:

To approve the individual and consolidated financial statements of ENCE ENERGÍA Y CELULOSA, S.A. and subsidiaries and the respective directors' reports for the accounting period ended 12 February 2016.

Second. Examination and, as the case may be, approval of the proposed appropriation of profit or loss for the accounting period ended 31 December 2015 for ENCE ENERGÍA Y CELULOSA, S.A.

Proposal:

Approve the appropriation of profit for 2015, in the amount of 62,201,823 euros, as follows:

Distribution base:

Profit/(loss) for the year	62,201,823 euros
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To be applied:

a) To legal reserve:	0 euros
b) To unrestricted reserves:	26,223,235 euros
c) To dividend payout:	35,978,588 euros
- Interim dividend agreed on 30/09/2015:	10,951,338 euros
- Total amount of the final dividend:	25,027,250 euros

The dividend will be paid in cash on 14 April 2016, at 0.10 euros gross per share of ENCE ENERGÍA Y CELULOSA, S.A. eligible for dividend and outstanding on the date payment is made.

Parties that appear as shareholders of ENCE ENERGÍA Y CELULOSA, S.A. at the end of trading on April 2016 in the accounting records of the member companies of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR) will be eligible to receive the dividend. Any legally required withholdings will be applied to the gross amounts.

Third. Examination and, as the case may be, approval of the work carried out by the board of directors of ENCE ENERGÍA Y CELULOSA, S.A. during the year ended 31 December 2015.

Proposal:

To approve the board of directors' management of the Company and its performance during the accounting period ended 31 December 2015.

Fourth. Reappointment and appointment of board members:

Four A: Reappointment of Fernando Abril-Martorell Hernández as other non-executive director, upon the proposal of the board of directors.

Proposal:

To reappoint Fernando Abril-Martorell Hernández to the Company's board of directors as "other non-executive director", for the three-year term of office set out in the bylaws, which will run from the approval of this resolution.

Four B: Reappointment of José Guillermo Zubía Guinea as independent director, upon the proposal of the appointments and remuneration committee.

Proposal:

To reappoint José Guillermo Zubía Guinea to the Company's board of directors as an independent director, for the three-year term set out in the bylaws, which will run from the approval of this resolution.

Four C: Reappointment of Isabel Tocino Biscarolasaga as independent director, upon the proposal of the appointments and remuneration committee.

Proposal:

To reappoint Isabel Tocino Biscarolasaga to the Company's board of directors as an independent director, for the three-year term of office set out in the bylaws, which will run from the approval of this resolution..

Four D: Appointment of Mr. Luis Lada Díaz as an independent director, upon the proposal of the appointments and remuneration committee.

Proposal:

To appoint Mr. Luis Lada Díaz to the Company's board of directors as an independent director, for the three-year term of office set out in the bylaws, which will run from the approval of this resolution.

As a result of the appointment and re-elections envisaged in this resolution, the number of board members will stand at thirteen.

Fifth. Re-election of auditors of the Company and of its consolidated group.

Proposal:

For the purposes of articles 42 of the Spanish Code of Commerce, 264 of the Capital Enterprises Act and related provisions of the Regulations of the Companies Registry, the meeting agrees to reappoint PricewaterhouseCoopers Auditores, S.L., with registered office in Madrid, at Paseo de la Castellana 259B, Torre PwC, and bearing tax number (Spanish C.I.F.) B-79031290, as the financial auditor of both the Company and its consolidated group, and the auditor of the directors' report of both the Company and its consolidated group. This appointment will remain valid for one (1) year.

The Company's board of directors is hereby authorised to arrange the corresponding services agreement with PricewaterhouseCoopers Auditores, S.L. for the term indicated above and according to the applicable conditions and clauses, with authority to delegate this task to the executive committee or CEO.

Sixth. Approval, as the case may be, of the amendments to certain articles of the Company's bylaws.

Six A: Approval of the amendment of article 43 of the bylaws (insurance and pension schemes) in relation to long-term savings schemes intended for board members.

Proposal:

To amend article 43 (Insurance and pension schemes) of the Company's bylaws, which will now read as follows:

Article 43. Insurance and pension schemes

- 1. The Company may take out life, accident and illness, and healthcare insurance for its Board members, in which case the premiums paid will count towards the limit established by the general meeting in accordance with section 1 of the preceding article.*
- 2. The Company may establish for its executive Board members a pension system for cases of death, retirement, disability, inability to exercise duties, or removal. The amount, conditions and characteristics of the system shall be established by the Board of Directors. The Company may outsource this system in whole or in part.*
- 3. The Company is authorised to take out a civil liability insurance policy for its Board members.*

Six B: Approval of the amendment of article 49 of the bylaws (delegated and consultative bodies of the Board of Directors), in relation to the focal points of the action plan intended to correct deficiencies detected from assessments of the board of directors.

Proposal:

To amend article 49 (delegated and consultative bodies of the board of directors) of the Company's bylaws, which will now read as follows:

Article 49.- Delegated and consultative bodies of the Board of Directors

The Board of Directors may appoint an Executive Committee and must establish, at a minimum, an Audit Committee and an Appointments and Remuneration Committee, the composition and minimum duties of which are indicated in the Corporate Enterprise Art and in the regulations of the Board of Directors. In addition, the Board may establish one or more other committees to which it will entrust competencies for given matters or issues and delegate, either temporarily or permanently, all or part of its duties, except for those that legally or according to a resolution of the General Meeting are of the exclusive competency of the Board and those that are set forth with this characteristic in the rules that the Board approves pursuant to the power conferred in Article 245 of the Spanish Companies Law. The same responsibilities may be delegated to the Chairman, the Vice Chairman or the Vice Chairmen or any other directors.

In order to be valid, the permanent delegation of powers of the Board of Directors to the Executive Committee, to one or more delegate committees, or to one or more delegate Board members, and the appointment of the directors to such offices, the favourable vote of two-thirds of Board members will be required. Such actions will not take effect until recorded in the Companies Registry (Registro Mercantil).

The Executive Committee, the Delegate Committees, and the delegate Board members will be accountable before the Board of Directors for the main decisions taken in the exercise of the powers delegated to them.

In addition, the Board of Directors may designate other committees to which it will entrust competencies over given matters or issues.

The Board of Directors must conduct an annual evaluation and adopt, as applicable and based on the results of the evaluations, an action plan to correct any deficiencies detected in relation to the matters determined by law and by the Board of Directors Regulations.

The results of the evaluation will be recorded in the meeting minutes or will be annexed thereto as an appendix.

Six C: Approval of the amendment of article 51 of the bylaws (Audit Committee) in relation to the membership and functions of the audit committee.

Proposal:

To amend article 51 (Audit Committee) of the Company's bylaws, which will now read as follows:

Article 51.- Audit Committee

In all events, the Board of Directors will appoint an Audit Committee, made up exclusively of a minimum of three non-executive directors and with a majority of independent directors, who will be appointed, and particularly in the case of its chairman, on the basis of his or her knowledge and experience in accounting, auditing or risk management.

Without prejudice to any responsibilities that may be entrusted to it by the Board of Directors, the Audit Committee will have the following competencies set forth at law and in the Regulations of the Board of Directors.

The Board of Directors shall appoint one of the non-executive members of the Audit Committee as committee chairman, who shall be replaced every four years and may be re-elected after a term of one year has elapsed since his removal from office.

In addition, the Board of Directors may appoint one of the members of the Audit Committee as Committee Secretary. In the absence of an express appointment, the Secretary and, if applicable, the Vice Secretary of the Board of Directors shall act as Secretary of the Audit Committee, even if they are not directors.

The Audit Committee shall have the resources required to carry out its duties, and shall adopt resolutions by a majority vote of those in attendance, whether present or represented by proxy, with the Chairman having the deciding vote in the case of a tie. The Committee, based on a resolution of the Committee itself or its Chairman, will meet as many times as necessary and at least four times a year.

Through its chairman, the Audit Committee must report to the Board of Directors in accordance with applicable law, these bylaws and the Regulations of the Board of Directors.

Six D: Approval of the amendment of article 51 bis of the bylaws (Appointments and Remuneration Committee) in relation to the membership and functions of the appointments and remuneration committee.

Proposal:

To modify article 51 (Appointments and Remuneration Committee) of the Company's bylaws, which will now read as follows:

Article 51 bis.- Appointments and Remuneration Committee

The Board of Directors will appoint an Appointments and Remuneration Committee, to be made up exclusively of a minimum of three non-executive directors and a majority of independent directors.

The Chairman of the Appointments and Remuneration Committee will be appointed by the Board of Directors from among the independent directors who belong to said committee.

In addition, the Board of Directors may appoint one of the members of the Appointments and Remuneration Committee as Committee Secretary. In the absence of an express appointment, the Secretary and, if applicable, the Vice Secretary of the Board of Directors shall act as Secretary of the Appointments and Remuneration Committee, even if they are not directors.

The Appointments and Remuneration Committee shall have the resources required to carry out its duties, and shall adopt resolutions by a majority vote of those in attendance, whether present or represented by proxy, with the Chairman having the deciding vote in the case of a tie. The Committee, based on a resolution of the Committee itself or its Chairman, will meet as many times as necessary and at least four times a year.

Without prejudice to any other competencies attributed to it by the Board of Directors, the Appointments Remuneration Committee shall have the competencies set forth at law and in the Regulations of the Board of Directors.

Seventh. Approval, where appropriate, of the long-term Incentives Plan for the period 2016-2018.

Proposal:

To approve a long-term Incentives Plan for the period 2016-2018. Its basic conditions are the following:

1.- Description:

The Incentives Plan is a multiannual plan for monetary remuneration and delivery of shares of the Company. The objectives pursued with the aforementioned Incentives Plan are: (i) encouraging performance of the management team in the long term, (ii) to promote the sustainability of the Company to create long-term value, (iii) strengthen the guidance of the management team to achieve business objectives committed in the strategic plans, (iv) engaging the first levels of management with the interests of shareholders, and (v) retain management talent and reward the dedication, abilities and responsibilities of the management.

2. Beneficiaries:

The beneficiaries of the Incentive Plan will be the Chief Executive Officer and main managers of the Company to be determined by the Board of Directors at the proposal of the Appointments and Remuneration Committee.

3. Duration of the plan and requirements for accrual:

The generation period of long-term incentive begins on January 1, 2016 and will end on June 30, 2019, although for the purposes of verifying compliance with the criteria for the granting of incentive (described in paragraph 5 below), they will be referred to the period from January 1, 2016 and December 31, 2018 period.

The essential requirements for the accrual of the Incentive are the following: (i) achieve the minimum level of achievement of objectives established for that purpose by the Board of Directors; and (ii) the beneficiary is in a position to effectively provide services to ENCE (insured in Social Security) on the date of accrual, with the usual exceptions for these incentives to be determined by the Board itself.

Where applicable, the date of payment of the incentive will be 4 July 2019 (the "Payment Date")

4. Incentive Amount:

The amount of long-term incentive will be determined by the Board of Directors depending on the level of achievement of stated objectives and management level of each beneficiary.

In any case, the maximum amount that may be charged Incentive beneficiaries shall be a percentage of the average annual fixed remuneration for the years 2016, 2017 and 2018 for each level of management as determined by the Board of Directors, provided that the total amount Incentive cannot in any case exceed 120% of the amounts determined by the Board of Directors.

The incentive amount will be satisfied 30% cash and 70% by delivery of shares of the Company.

5. Criteria for awarding Incentive:

The criteria for valuation of the objectives and their weighing shall be the following, in the terms and conditions to be established by the Board of Directors:

- 50% of the incentive will be linked to the degree of achievement of the EBITDA objectives of the Strategic Plan 2016/2020 between fiscal years 2016 to 2018 (both inclusive).
- 30% of the incentive will be linked to the degree of achievement of the objectives related to Ence's share value increase compared to the value increase of a basket of shares of reference companies in the sector. The reference value of the shares of Ence for this purposes shall be the average value of the share of Ence in the last quarter of 2018 compared to €3.495, equivalent to the market price of Ence's share on 31 December 2015.
- 20% of the incentive will be linked to the degree of achievement by each beneficiary of the objectives related to the development of talent of their team of direct collaborators.

6. Maximum number of shares that may be assigned:

The maximum number of shares that may be delivered under the Incentive Plan is the result of dividing €6,692,476 (equivalent amount on this date to 70% of the percentage corresponding to a maximum level of achievement of the targets set for all beneficiaries initially planned) by the share price of Ence, determined as

the average trading price in the sessions corresponding to the 30 working days preceding the date of this Ordinary General Meeting of Shareholders.

If, as a result of the final value of the average annual remuneration of the beneficiaries in the years 2016/17/18 or the inclusion of new beneficiaries to the incentive, the maximum number of shares to be delivered according to the previous paragraph is not sufficient, the establishment of a new maximum number of shares shall be subject to approval by the General Meeting of Shareholders of the Company.

7. Powers to the Board:

The Board of Directors of the Company or the Executive Committee by delegation, is empowered to reach all agreements and execute as many documents, public or private, which are necessary or convenient to implement, develop, execute and formalize the Incentive Plan. Such empowerment includes but is not limited to:

(I) Implement the Incentive Plan when deemed convenient and in the specific form it deems appropriate.

(ii) Identify the persons belonging to the management that must be included as beneficiaries of the Incentive Plan and specify the corresponding level under the Incentive Plan.

(iii) To develop and establish the specific conditions of the Incentive Plan in all matters not provided herein, including, in particular and without limitation, the development of the criteria for granting the incentive, determination of the amount and specific terms for payment of the Incentive to beneficiaries, the power to set the requirements to be met by beneficiaries to receive the incentive and the ability to modify the terms of the Plan within the basic terms approved by the General Meeting.

(For information purposes, it is noted that prior to voting this agreement, and once price of the share has been determined as established in first paragraph of section 6, the shareholders will be informed of the maximum number of shares that can be delivered under the Incentive Plan, distinguishing between the maximum number that may correspond to the Chief Executive Officer and which may be delivered to other beneficiaries. This information will be recorded in the minute of the Shareholders Meeting and in the corresponding relevant event.)

Eighth. Delegation of powers to interpret, further specify, rectify, implement and formalise the resolutions adopted by the general shareholders' meeting.

Proposal:

Without prejudice to the authorisations delegated in the preceding resolutions, a resolution is hereby adopted to:

A) Expressly delegate authorisation to the Board of Directors, with the full legally required scope, to:

1.- To interpret, clarify, specify, complete or correct the resolutions adopted by this General Shareholders' Meeting or those resolutions set forth in any deeds or documents granted for executing said resolutions, and in particular all omissions, defects or errors of form or substance that may impede the access of these resolutions and of the consequences thereof to the Companies Registry.

2.- To answer all questions that may arise with regard to the resolutions adopted by this General Shareholders' Meeting.

3.- To carry out all legal transactions necessary or advisable to execute the resolutions adopted by this General Shareholders' Meeting, executing as many notarially or non-notarially recorded documents of these resolutions as they deem necessary or advisable.

4.- To delegate to one or more of its members, jointly or jointly and severally, or to the Executive Committee, with powers of substitution, all or some of the powers that it deems appropriate of those corresponding to the Board of Directors and all of those powers conferred on it by this General Shareholders' Meeting.

B) To empower expressly, and as broadly as required under the law, the Chairman of the Board of Directors, the Chief Executive Officer and the Secretary of the Board of Directors, so that, indistinctly and solely with their signature and in due observance of the resolutions adopted by this General Shareholders' Meeting, they may have said resolutions put in the form a notarial instrument, with special authorisation for all arrangements necessary to carry out and comply with said resolutions; to execute all notarially or non-notarially recorded documents necessary and to take any action deemed necessary or appropriate for the achievement of said purpose, including the publication of legal announcements, vis-à-vis any public or private bodies or agencies for the purposes of registering the documents in the Companies Register and other public registers, as applicable, and with the power to draw up documents for the purpose of ratification, rectification, correction and clarification, following verbal suggestions or written appraisals by the Companies Register - and also with the power to apply for partial entry of the documents for registration - and by the National Securities Market Commission and any other official body whether public or private; to make any relevant arrangements with the bodies in order to implement and achieve the approved resolutions and to process files and documentation of any type required by the National Securities Market Commission and other public or private bodies; and in general to carry out any action required in relation to the resolutions adopted by this General Meeting.

Ninth. Consultative vote on the 2015 annual report on directors' remuneration.

The 2015 annual report on directors' remuneration prepared by the board of directors is put before the meeting for advisory voting. The report has been made available to shareholders, along with the other documentation relating to the general meeting, from the date of the meeting announcement.

Tenth. Information concerning the amendments made to the regulations of the Company's board of directors since the last general shareholders' meeting, pursuant to article 528 of the Spanish Capital Enterprises Act.

For information purposes only, the Company's general shareholders' meeting is advised that the board of directors approved certain amendments to certain articles of the regulations of the board of directors at its meeting held on 15 December 2015.

The regulations of the Board of Directors were amended under the terms of the report made available to shareholders, as indicated in the meeting notice.