

ENCE ENERGÍA Y CELULOSA, S.A.

CALL FOR THE ANNUAL ORDINARY 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 in Auditorio Rafael del Pino, Calle de Rafael Calvo, 39-A, 28010, Madrid, on 29 March 2017 at 12:30 on first call, or on the following day, that is 30 March 2017, at the same time and venue, on second call according to the following

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 on 31 December 2016.
- Second.** Examination and, as the case may be, approval of the proposed allocation of profit or loss for the financial year ending on 31 December 2016 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 ending on 31 December 2016.
- Fourth.** Re-election of members of the Board of Directors:
- Four A:** Re-election of Ignacio de Colmenares Brunet as executive director as proposed by the board of directors.
- Four B:** Re-election of Pedro Barato Triguero as independent director as proposed by the appointments and remuneration committee.
- Four C:** Re-election of Pascual Fernández Martínez as proprietary director as proposed by the board of directors.
- Four D:** Re-election of Víctor Urrutia Vallejo as proprietary director as proposed by the board of directors.
- Four E:** Re-election of Mendibea 2002, S.L., as proprietary director as proposed by the Board of Directors, and acknowledgement of the permanence of Ignacio Comenge Sánchez-Real as the natural person representing Mendibea 2002, S.L. in its capacity as director.
- Fifth.** Re-election of auditors of the Company and its consolidated group.
- Sixth.** Reduction in share capital through the amortization of treasury shares and rewording of articles 5 and 6 in the company bylaws.
- Seventh.** Authorisation to the board of directors for the acquisition of treasury shares either directly or through companies of the Group, thus voiding the

unused part of the authorisation agreed to by the General Shareholders' Meeting on 24 July 2012 as the Third resolution in the agenda.

- Eighth.** Authorisation to the board of directors, with express powers of substitution, over a period of five years, to issue marketable fixed-income securities or debt securities of a similar nature, including preference shares, and swappable or share-convertible fixed-income securities with, in the latter case, the power to withdraw preferential subscription rights. Authorisation for the Company to stand guarantee for any new issuances of securities by its subsidiaries. Revocation, in the unused amount, of the authorisation conferred to that end by the general shareholders' meeting of 28 April 2015 under resolution Ten in the agenda.
- Ninth.** Delegation of powers to interpret, further specify, rectify, implement and formalise the resolutions adopted by the general shareholders' meeting.
- Tenth.** Consultative vote on the 2016 annual report on directors' remuneration.

MEETING CALL SUPPLEMENT AND PRESENTATION OF PROPOSED RESOLUTIONS

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 business address (Calle de Beatriz de Bobadilla, No 14, Planta 4^a, 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 Spanish Corporate Enterprises Act.

RIGHT TO INFORMATION

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 n^o 14, Planta 4^a, 28040), or from the Company's website (www.ence.es), or which shareholders may request the Company to send them by post to the aforementioned address:

1. This call notice
2. Full text of the proposed resolutions which will be submitted to the shareholders at the general meeting
3. The complete text of the financial statements and directors' report for the financial year ending on 31 December 2016, both for the Company and its consolidated Group, together with the corresponding auditors' report
4. With respect to the proposed re-election of directors:
 - (i) report of the board of directors regarding the directors proposed for re-election, according to article 529 *decies* of the Spanish Corporate Enterprises Act; and
 - (ii) report of the appointments and remuneration committee in relation to the proposal to re-elect Pedro Barato Triguero as independent director, and about the re-election of Ignacio de Colmenares Brunet as executive director, Pascual Fernández Martínez, Víctor Urrutia Vallejo and Mendibea 2002, S.L as proprietary directors, and, regarding the appointment of the natural person to represent Mendibea 2002, S.L. in accordance with article 529 *decies*, section seven of the Spanish Corporate Enterprises Act.

5. Board of directors report on the reduction in share capital through the amortization of treasury shares.
6. Board of directors report on the proposed resolution authorising the board of directors, to issue simple fixed income marketable securities or debt instruments of a similar nature, including preferred stocks, as well as fixed income securities exchangeable or convertible into shares, with the power in the latter case to exclude preferential subscription rights, with respect to item eight of the agenda.
7. 2016 Annual Corporate Governance Report.
8. 2016 annual report on directors' remuneration.
9. Audit committee report on the independence of the auditor.
10. Annual corporate social responsibility report.
11. Card for attendance, proxy and postal voting.

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 identity and his shareholder status. The shareholder will be responsible for sending the request in due form and time. The Company's website contains the relevant explanations for shareholders to exercise their right to information under the terms legally envisaged.

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). Alternatively, they may also attend the General Meeting with the attendance card made available to them on the Company's website and ready to be printed for attendees. In turn, 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 business address (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 envisaged in article 31 of the Company bylaws and 10 of the general meeting regulations, shareholders who do not attend the meeting may empower another person, whether a shareholder or not, to represent them.

Notwithstanding 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 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 business address 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

Under the terms envisaged in article 36 of the Company bylaws and 25 of the general meeting regulations, shareholders with the right to attend the general meeting may cast their vote on the proposals related to the agenda via post by sending the attendance card and ballot provided by the custodian duly completed and affixed with the shareholders handwritten signature for such purposes to the Company's aforementioned 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, 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, for which the Company has prior knowledge.

SHAREHOLDERS' ELECTRONIC FORUM

In accordance with article 539.2 of the Spanish Corporate Enterprises Act 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).

Motions intended to be presented as a supplement to the agenda announced in the call, requests for accession to such motions, 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).

NOTARY PARTICIPATION IN 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 Corporate 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 otherwise announced in the daily press, the meeting on second call is scheduled for 30 March 2017, at 12:30 at the location specified above.

From one hour before the start of the meeting and at the location where it has been convened, the shareholders or those who validly represent them may submit to the personnel responsible for registering the shareholders their respective attendance cards and proxy forms and, if applicable, the documents accrediting their legal representation.

Madrid, 27 February 2017
Secretary of the board of directors
José Antonio Escalona de Molina