

Dated 5 March 2018

ENCE ENERGÍA Y CELULOSA, S.A.

and

THE BANK OF NEW YORK MELLON, LONDON BRANCH

as Fiscal Agent and Paying, Transfer and Conversion Agent

and

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH

as Registrar

FISCAL, TRANSFER AND CONVERSION AGENCY AGREEMENT

relating to

€160,000,000 1.25 per cent. Senior Unsecured Convertible Bonds due 2023

Linklaters

Ref: BJD/CD/SZ

Linklaters LLP

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This Agreement is made on 5 March 2018 **between:**

- (1) **ENCE ENERGÍA Y CELULOSA, S.A.** a corporation organised under the laws of Spain, with Spanish tax identification number A-28212264, whose registered office is at Calle de Beatriz de Bobadilla 14, 28040 Madrid, Spain (the **"Issuer"**);
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH** as fiscal agent and paying, transfer and conversion agent (in its capacity as fiscal agent, the **"Fiscal Agent"** and in its capacity as the paying, transfer and conversion agent, the **"Paying, Transfer and Conversion Agent"**) and, together with any other paying, transfer and conversion agent appointed from time to time under this agreement, the **"Paying, Transfer and Conversion Agents"**; and
- (3) **THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH** as registrar (the **"Registrar"**), each a **"Party"** to this Agreement.

Whereas:

- (A) The Issuer proposes to issue €160,000,000 principal amount of Bonds to be known as its 1.25 per cent. Convertible Bonds due 2023.
- (B) The Bonds are convertible into new and/or existing Ordinary Shares of the Issuer in accordance with their terms.
- (C) The Bonds will be issued in registered form, in principal amounts of €100,000 represented on issue by a Global Bond.
- (D) The Issuer will enter into a calculation agency agreement dated the date of this Agreement (the **"Calculation Agency Agreement"**) with the calculation agent named therein (the **"Calculation Agent"**), which expression shall include any other calculation agent appointed pursuant to the terms thereof.

1 Interpretation

1.1 Definitions

Terms defined in the Terms and Conditions of the Bonds have the same meanings in this Agreement (except where otherwise defined in this Agreement) and except where the context requires otherwise:

"Agents" means the Fiscal Agent, the Registrar and the Paying, Transfer and Conversion Agents or any of them;

"Applicable Law" means any law or regulation;

"Authority" means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction;

"Bonds" means the €160,000,000 1.25 per cent. Convertible Bonds due 2023 of the Issuer and (except in Clauses 3.1 and 3.2) includes the Global Bond;

"Business Day" means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place;

"Clearstream, Luxembourg" means Clearstream Banking, S.A.;

"Code" means the U.S. Internal Revenue Code of 1986, as amended;

“Conditions” means the terms and conditions set out in Schedule 1 as modified, with respect to any Bonds represented by the Global Bond, by the provisions of the Global Bond and any reference to a particularly numbered Condition shall be construed accordingly;

“Conversion Notice” means a notice of conversion substantially in the form for the time being current and which initially shall be in the form appearing in Schedule 5, Part A;

“euro” and **“€”** denote the currency introduced at the third stage of the European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended;

“Euroclear” means Euroclear Bank S.A./N.V.;

“FATCA” means Sections 1471 through 1474 of the Code (including any regulations thereunder or official interpretations thereof), intergovernmental agreements between the United States and other jurisdictions facilitating the implementation thereof, and any law implementing any such intergovernmental agreement;

“FATCA Withholding” means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;

“Global Bond” means one or more Global Bonds which will evidence the Bonds substantially in the form set out in Schedule 2 and evidencing the registration of the person named therein in the Register;

“outstanding” means, in relation to the Bonds, all the Bonds issued except (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which Conversion Rights have been exercised and all the obligations of the Issuer to issue and/or deliver Ordinary Shares and/or pay cash duly performed in relation thereto (c) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Fiscal Agent as provided in this Agreement and remain available for payment against presentation and surrender of Bonds (if so required), as the case may be, (d) those in respect of which claims have become void or prescribed and (e) those which have been purchased and cancelled as provided in the Conditions; provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Bondholders and (2) the determination of how many Bonds are outstanding for the purposes of Schedule 3, those Bonds which are beneficially held by, or are held on behalf of, the Issuer or any of its Subsidiaries and not cancelled shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

“Registrar” means the registrar in respect of the Bonds appointed from time to time under this Agreement or an agreement supplemental to it; and

“Tax” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax other than a FATCA Withholding.

1.2 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

2 Appointment

The Issuer appoints the Agents as its agents in respect of the Bonds in accordance with the Conditions at their respective specified offices referred to in the Bonds. References to the Agents are to them acting solely through such specified offices. Each Agent shall only perform the duties required of it hereunder (including, without limitation, Schedule 6 and by the Conditions). The obligations of the Agents are several and not joint.

3 Form of the Bonds

3.1 The Global Bond: The Bonds will be represented by the Global Bond in the principal amount of €160,000,000 and the Issuer shall procure that appropriate entries be made in the register of Bondholders by the Registrar to reflect the issue of such Bonds. The Global Bond will be delivered to and registered in the name of a common depository for Euroclear and Clearstream, Luxembourg or its nominee. The Global Bond will be exchangeable for definitive registered Bonds as set out in the limited circumstances described in the Global Bond. Immediately before issue, the Issuer shall deliver to the Registrar, and the Registrar (or its agent on its behalf) shall authenticate, the duly executed Global Bond. The Registrar shall then return the Global Bond to or to the order of the Issuer for delivery to a common depository on behalf of Euroclear and Clearstream, Luxembourg.

3.2 The Definitive Registered Bonds: The definitive registered Bonds may be printed or typed and need not be security printed unless otherwise required by applicable legal or stock exchange requirements. The definitive registered Bonds will be substantially in the form set out in Schedule 1. The definitive registered Bonds will be endorsed with the Conditions.

3.3 Signature: The Global Bond and any definitive registered Bonds will be signed manually or in facsimile by an authorised signatory of the Issuer. The Issuer may use the facsimile signature of any person who at the date of this Agreement is an authorised signatory of the Issuer. Bonds (including the Global Bond) so executed will be binding and valid obligations of the Issuer.

3.4 Exchange of interests in the Global Bond for Definitive Registered Bonds:

3.4.1 Issue of definitive registered Bonds: If, in accordance with the Global Bond following an exchange event described therein, definitive registered Bonds are to be issued in exchange for interests in the Global Bond, the Issuer shall cause sufficient definitive registered Bonds to be executed and delivered to the Registrar in sufficient time for such definitive registered Bonds to be issued in accordance with the Global Bond, together with a written order for the authentication thereof.

3.4.2 Provision of information: In order to receive such definitive registered Bonds, the holder of a Global Bond must provide the Registrar with a written order containing such instructions and other information as the Issuer and the Registrar may require to complete, execute and deliver such definitive registered Bonds.

3.4.3 Authentication and exchange: Upon (a) receipt of the documents referred to in Clause 3.4.2, (b) presentation of the Global Bond to the Registrar, and (c) the written order of the Issuer, the Registrar shall arrange, only in accordance with the terms hereof, the Conditions and the Global Bond, for the authentication and delivery to, or to the order of, the person or persons named in the order referred to in Clause 3.4.2 of a definitive registered Bond registered in the name or names requested by such person or persons and the Registrar shall procure the reduction to zero of the

principal amount of the beneficial interests in the Global Bond in exchange for which such definitive registered Bonds are issued, by annotation in the relevant Schedule thereto, accordingly. The Registrar shall ensure that the delivery of such definitive registered Bonds occurs (as far as practicable) simultaneously with the reduction in the principal amount of the Global Bond.

3.5 Transfers or Exchanges of Definitive Registered Bonds: Transfers or exchanges of definitive registered Bonds issued following the occurrence of an exchange event shall be subject to the Transfer Regulations (as defined in Clause 13.2), the restrictions and limitations set out thereon, if any, and to such certifications, if any, as are set forth in the form of transfer attached thereto.

4 Payment

4.1 Payment to Fiscal Agent: Subject to and in accordance with the Conditions and the procedures described in Schedule 6, the Issuer will, on the Madrid Business Day before each date on which any payment in respect of the Bonds becomes due, transfer to the Fiscal Agent such amount as may be required for the purposes of such payment. The Issuer will confirm to the Fiscal Agent by 10.00 a.m. (local time in the city of the Fiscal Agent's specified office) on the second Business Day in the city of the Fiscal Agent's specified office before the due date for any such payment that irrevocable instructions have been issued by it to make such payment. In this Clause 4, the date on which a payment in respect of the Bonds becomes due means the first date on which the holder of a Bond could claim the relevant payment by transfer to an account under the Conditions.

4.2 Notification of non-payment: The Fiscal Agent will forthwith notify by authenticated SWIFT message or facsimile each of the other Paying, Transfer and Conversion Agents and the Issuer if it has not by the due date for any payment due in respect of the Bonds received the full amount so payable on such date by the time specified for its receipt in Clause 4.1, unless it is satisfied that it will receive the relevant amount pursuant to Clause 4.1.

4.3 Payment by Paying, Transfer and Conversion Agents: Unless they receive a notification from the Fiscal Agent under Clause 4.2, the Paying, Transfer and Conversion Agents will, subject to and in accordance with the Conditions and the procedures described in Schedule 6, pay or cause to be paid on behalf of the Issuer on and after each due date therefor the amounts due in respect of the Bonds and will be entitled to claim any amounts so paid from the Fiscal Agent. If any payment provided for in Clause 4.1 is made late but otherwise in accordance with this Agreement, the Paying, Transfer and Conversion Agents will nevertheless subject to and in accordance with the Conditions and the procedures described in Schedule 6 make such payments in respect of the Bonds. However, unless and until the full amount of any such payment has been received by the Fiscal Agent none of the Paying, Transfer and Conversion Agents will be bound to make such payments.

4.4 Reimbursements of Paying, Transfer and Conversion Agents: The Fiscal Agent will on demand promptly reimburse each Paying, Transfer and Conversion Agent for payments in respect of the Bonds properly made by it in accordance with the Conditions and this Agreement.

4.5 Late Payment: If the Fiscal Agent has not by the due date for any payment in respect of the Bonds received the full amount payable on such date but receives it later, it will forthwith give notice to each of the other Paying, Transfer and Conversion Agents and the Bondholders that it has received such full amount.

- 4.6 Method of payment to Fiscal Agent:** All sums payable to the Fiscal Agent hereunder will be paid in euro via the TARGET System and in immediately available or same day funds to such account as the Fiscal Agent may from time to time notify to the Issuer. For the avoidance of doubt, nothing contained herein shall require the Fiscal Agent to make payment unless and until the Fiscal Agent has received immediately available funds sufficient to make such payment.
- 4.7 Exclusion of liens and interest:** The Fiscal Agent shall be entitled to deal with each amount paid to it under this Clause 4 in the same manner as other amounts paid to it as a banker by its customers *provided, however, that* (i) it shall not exercise any lien, right of set-off or similar claim in respect thereof, (ii) it shall not be liable to any person for interest thereon; and (iii) it shall not be required to segregate any sums held by it except as required by law.
- 4.8 Partial Payments:** If on presentation of a Bond only part of the amount payable in respect of it is paid (except as a result of a deduction of tax permitted by the Conditions), the Paying, Transfer and Conversion Agent to whom the Bond is presented shall procure that the Register is en faced with a memorandum of the amount paid and the date of payment.
- 4.9 Reimbursement of Fiscal Agent:** If the Fiscal Agent makes any payment in respect of the Bonds on or after the due date therefor under this Clause 4 on the assumption that the corresponding payment by or on behalf of the Issuer has been or will be made and such payment has in fact not been so made by the Issuer, then the Issuer shall on demand reimburse the Fiscal Agent for the relevant amount, and pay interest to the Fiscal Agent on such amount from the date on which it is paid to the date of reimbursement at a percentage rate per annum equal to the cost to the Fiscal Agent of funding the amount paid, as certified by the Fiscal Agent and expressed as a percentage rate per annum.
- 4.10 FATCA**
- 4.10.1 Mutual Undertaking Regarding Information Reporting and Collection Obligations:** Each Party shall, within ten Madrid Business Days of a written request by another Party, supply to that other Party such forms, documentation and other information relating to it, its operations, or any Bonds as that other Party reasonably requests for the purposes of that other Party's compliance with Applicable Law and shall notify the relevant other Party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such Party is (or becomes) inaccurate in any material respect; provided, however, that no Party shall be required to provide any forms, documentation or other information pursuant to this Clause 4.10.1 to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such Party and cannot be obtained by such Party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such Party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality. For the purposes of this Clause 4.10, "**Applicable Law**" shall be deemed to include (i) any rule or practice of any Authority by which any Party is bound or with which it is accustomed to comply; (ii) any agreement between any Authorities; and (iii) any agreement between any Authority and any Party that is customarily entered into by institutions of a similar nature.
- 4.10.2 Notice of Possible Withholding Under FATCA:** The Issuer shall notify each Agent in the event that it determines that any payment to be made by an Agent under any Bonds is a payment which could be subject to FATCA Withholding if such payment

were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that this Clause 4.10.2 shall apply only to the extent that the Issuer is legally obliged under FATCA to make such determination and such payments are so treated by virtue of characteristics of the Issuer, such Bonds, or both.

4.10.3 Agent Right to Withhold: Notwithstanding any other provision of this Agreement, each Agent shall be entitled to make a deduction or withholding from any payment which it makes under any Bonds for or on account of any Tax or FATCA Withholding, if and only to the extent so required by Applicable Law, in which event the Agent shall make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld or, at its option, shall reasonably promptly after making such payment return to the Issuer the amount so deducted or withheld, in which case, the Issuer shall so account to the relevant Authority for such amount. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this Clause 4.10.

4.10.4 Issuer Right to Redirect: In the event that the Issuer determines in its sole discretion that any FATCA Withholding or deduction or withholding for or on account of any Tax will be required by Applicable Law in connection with any payment due to any of the Agents on any Bonds, then the Issuer will be entitled to redirect or reorganise any such payment in any way that it sees fit in order that the payment may be made without such deduction or withholding provided that, any such redirected or reorganised payment is made through a recognised institution of international standing and otherwise made in accordance with this Agreement. The Issuer will promptly notify the Agents of any such redirection or reorganisation. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this Clause 4.10.

4.11 Payment shortfall: If the amount of principal and/or interest then due for payment is not paid in full (otherwise than by reason of a deduction required by law to be made or by reason of a FATCA Withholding or a certification required by the terms of a Bond not being received), the Paying, Transfer and Conversion Agent to which a Bond is presented for the purpose of making the payment shall make a record of the shortfall on the relevant Bond and the record shall, in the absence of manifest error, be prima facie evidence that the payment in question has not to that extent been made.

5 Conversion of the Bonds

5.1 Conversion Notices: As soon as reasonably practicable following receipt of a request from time to time, the Issuer will provide the Agents and the holders of the Bonds with copies of the form of Conversion Notice (as set out in Schedule 5, Part A).

5.2 Exercise of Conversion Rights in respect of Bonds: Subject to the terms of this Agreement and to the Conditions, Bondholders may exercise Conversion Rights in respect of an Authorised Denomination only by delivering such Bond for conversion to the specified office of any Paying, Transfer and Conversion Agent during its usual business hours (if such delivery is made after the end of normal business hours or on a day which is not a Business Day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of the Conditions to have been made

on the next day following such Business Day in such place), together with a duly completed and signed Conversion Notice (the form of which shall be furnished upon request to any Bondholder by any Paying, Transfer and Conversion Agent) and the relevant Paying, Transfer and Conversion Agent shall:

5.2.1 accept delivery on behalf of the Issuer of such Bonds and such duly completed and signed Conversion Notice (which shall be made by electronic communication followed, if possible by fax); and

5.2.2 require, in respect of any exercise of Conversion Rights by or on behalf of a Bondholder (i) compliance by the Bondholder with any applicable fiscal or other laws or regulations as provided in the Conditions, and (ii) that such Bondholder pays to the extent required by Condition 6(g), all taxes and capital, stamp, issue and registration taxes and duties arising on conversion (other than any taxes or capital, stamp, issue or registration taxes or duties payable in the United Kingdom, Luxembourg, Belgium or the Kingdom of Spain in respect of the allotment and issue and/or transfer of any Ordinary Shares on such conversion (including any Additional Ordinary Shares) which shall be paid by the Issuer) and that such Bondholder pays all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with such conversion.

5.3 Delivery of Ordinary Shares: Subject as provided herein and in the Conditions, the newly-issued Ordinary Shares to be issued on conversion of any Bonds, shall be issued in uncertificated form through Iberclear and such newly-issued Ordinary Shares and any existing Ordinary Shares to be transferred on conversion of any Bonds shall be credited by the Issuer to the account specified by the relevant Bondholders in the relevant Conversion Notice (which must be the account of a direct participant of Iberclear).

5.4 Exercise of Global Bond Conversion Rights: Conversion Rights attaching to Bonds represented by the Global Bond shall be exercised in the manner set out in Clause 5.2, provided that (i) references to "Bondholders" shall be construed as references to holders of beneficial interests in the Global Bond; (ii) the Global Bond shall be annotated to take account of such conversion and returned to the holder thereof, (iii) the holding of a beneficial interest in the Global Bond by an accountholder of Euroclear or Clearstream, Luxembourg or any clearing system in which the Global Bond is held at such time in respect of which conversion rights are exercised will be confirmed by the Fiscal Agent with the relevant clearing system, and (iv) the necessary entries will be made on the Register pursuant to Clause 11.

5.5 Endorsement of Conversion Notice: Upon the conditions referred to in Clause 5.2 or, as the case may be, Clause 5.4 being fulfilled, the relevant Conversion Notice shall be endorsed, and held subject to Clause 5.6, by the relevant Paying, Transfer and Conversion Agent or the Registrar, as the case may be.

5.6 Notification by Agents: Immediately upon the conditions being fulfilled in accordance with Clause 5.2, or, as the case may be, Clause 5.4, the relevant Paying, Transfer and Conversion Agent shall despatch as soon as practicable, and in any event within two days after satisfaction by the Bondholder of all conditions precedent to conversion, to the Issuer, the Fiscal Agent and the Calculation Agent a copy of the Conversion Notice duly endorsed pursuant to Clause 5.5.

For the purposes of delivering the Conversion Notice to the Calculation Agent pursuant to this Clause 5.6, the notice details of the Calculation Agent are as follows:

Email: calculation.agent@conv-ex.com
Fax: +44 207 856 2445
Attention: Calculation Agency Team

- 5.7 Completion by Calculation Agent:** The Calculation Agent has agreed in the Calculation Agency Agreement to complete items 2.2, 2.3 and 3.2 of each Conversion Notice received from the Fiscal Agent and send the duly completed Conversion Notice to the Issuer (with a copy to the Fiscal Agent) by email or facsimile transmission.
- 5.8 Calculation of adjustments etc.:** The Fiscal Agent acknowledges that pursuant to the Calculation Agency Agreement, the Calculation Agent shall make such determinations, calculations or adjustments as may be required to be made by it under the Conditions. The Calculation Agent has agreed in the Calculation Agency Agreement to notify the Issuer and the Fiscal Agent of the results of such determinations, calculations or adjustments.
- 5.9 Notification of Adjustment to Conversion Price:** The Issuer shall, whenever there is an adjustment to the Conversion Price pursuant to the Conditions, as soon as practicable upon receipt of information relating to the same from the Calculation Agent or an Independent Adviser advise the Agents of both the previous and the new Conversion Price (with a brief statement of the facts requiring such adjustment) and the date as from which the new Conversion Price has become or will become effective.
- 5.10 Undertakings with respect to Conversion:** The Issuer and the Agents respectively undertake to comply with the Conditions with respect to conversion of the Bonds and allotment of the existing and/or newly-issued Ordinary Shares in accordance with the provisions hereof and the Conditions.
- 5.11 Identification Codes:** Each Conversion Notice and each facsimile transmission sent in respect of a Conversion Notice pursuant to the foregoing provisions of this Clause 5 by any Paying, Transfer and Conversion Agent shall indicate the identification code designated below for that Paying, Transfer and Conversion Agent followed by the words "Ence Energía y Celulosa, S.A. 1.25 per cent. Convertible Bonds due 2023", and shall bear the lowest number previously unused by that Paying, Transfer and Conversion Agent in the sequence of whole numerals starting from one and continuing in uninterrupted sequence upwards, for identification. All confirmatory or subsequent communications (regardless of the identity of the sender or the recipient thereof) with regard to such Conversion Notice shall bear the same identifying serial number as well as the identification code of the relevant Paying, Transfer and Conversion Agent.

The identification code of the Paying, Transfer and Conversion Agent shall be as follows:

The Bank of New York Mellon, London Branch BNYM
as Paying, Transfer and Conversion Agent

- 5.12 Taxes:** Neither the Fiscal Agent nor any other Agent shall have any obligation to determine what, if any, tax, capital, stamp, issue or registration taxes or duties or other expenses arise on conversion or upon the disposal or deemed disposal of a Bond or interest therein in connection with such conversion or by whom or to whom any such sums should be paid.

6 Repayment

If claims in respect of any principal or interest become void under the Conditions, the Fiscal Agent shall forthwith repay to the Issuer the amount which would have been due if presentations for payment had been made before such claims became void. Except as

provided herein and in Schedule 6 hereto, the Fiscal Agent shall not however be otherwise required or entitled to repay any sums received by it under this Agreement.

7 Early Redemption

7.1 Notice of Redemption: If the Issuer intends to redeem all or any of the Bonds under Condition 7(b) or 7(c) before the Final Maturity Date it shall, at least four Madrid Business Days before the latest date for the publication of the notice of redemption required to be given to Bondholders, give notice of its intention to the Fiscal Agent stating the date on which such Bonds are to be redeemed.

7.2 Optional Redemption Notice and Tax Redemption Notice: The Fiscal Agent shall publish the notice required in connection with any such redemption on behalf of the Issuer. Such notice shall specify:

- (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date;
- (ii) the Conversion Price, the aggregate principal amount of the Bonds outstanding and the Closing Price of the Ordinary Shares, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice or, as the case may be, the Tax Redemption Notice; and
- (iii) the last day on which Conversion Rights may be exercised by Bondholders.

7.3 Bondholders' Tax Exercise Notices: Each Agent will keep a stock of notices provided to it by the Issuer (each, a "**Bondholder's Tax Exercise Notice**") in a form for the time being current and which initially shall be in the form appearing in Schedule 5, Part C and will make them available on demand to Bondholders. The Paying, Transfer and Conversion Agent with which a Bond is deposited pursuant to Condition 7(c) shall hold such Bond (but shall not, save as provided below, release it) until the proposed Tax Redemption Date of the Bonds pursuant to Condition 7(c). On that date, the relevant Paying, Transfer and Conversion Agent shall return such Bond to the depositing Bondholder endorsed to reflect the exercise of the Bondholder's Tax Exercise Notice or, in the case of the Global Bond, annotate the relevant Schedule to such Bond appropriately. If the deposited Bond (or Bonds) becomes (or become) immediately due and payable before that date, the Paying, Transfer and Conversion Agent concerned shall mail such Bond by uninsured post to, and at the risk of, the relevant holder. Each Agent shall promptly notify the Fiscal Agent of the principal amount of Bonds in respect of which Bondholder Tax Exercise Notices have been deposited with it and will forward such Bondholder Tax Exercise Notices to the Fiscal Agent. The Fiscal Agent shall promptly send by facsimile transmission a copy of such Bondholder Tax Exercise Notices to the Issuer and notify such details of the principal amount of Bonds in respect of which an option in Condition 7(c) has been exercised to the Issuer.

7.4 Put Exercise Notices: Each Paying, Transfer and Conversion Agent will keep a stock of notices for the time being current and which initially shall be in the form appearing in Schedule 5, Part B (each, a "**Put Exercise Notice**") and will make them available on demand to the Fiscal Agent and Bondholders during normal business hours. At the end of any period for exercising any option in Condition 7(e), each Paying, Transfer and Conversion Agent shall promptly notify the Fiscal Agent of the principal amount of Bonds in respect of which Put Exercise Notices have been deposited with it and will forward such Put Exercise Notices to the Fiscal Agent. The Fiscal Agent shall promptly send by facsimile transmission a copy of such Put Exercise Notice to the Issuer and notify such details and details of the principal

amount of Bonds in respect of which an option in Condition 7(e) has been exercised to the Issuer.

8 Cancellation, Destruction and Records

- 8.1 Cancellation by Paying, Transfer and Conversion Agents:** All Bonds which are presented or surrendered for conversion, exchange or redemption shall be cancelled by the removal of the relevant holder's name from the Register by the Registrar and may not be reissued or resold. The Agent receiving such Bonds shall, if not the Fiscal Agent, send the details required by the Fiscal Agent for the purposes of notification pursuant to Clause 8.3 and its records pursuant to Clause 8.5 and, where appropriate, the cancelled Bonds to or to the order of the Fiscal Agent.
- 8.2 Cancellation by Issuer:** If the Issuer or any of its Subsidiaries purchases any Bonds which in accordance with the Conditions are to be cancelled after such purchase, the Issuer shall surrender them (if in definitive form) to the Fiscal Agent for cancellation, whereupon the Fiscal Agent shall cancel them. All Bonds which are redeemed or in respect of which Conversion Rights are exercised shall be cancelled.
- 8.3 Certification of Payment Details:** The Fiscal Agent shall as soon as reasonably practicable and in any event within two months after the date of any such redemption, cancellation, conversion or payment send to the Issuer a certificate stating (1) the aggregate principal amount of Bonds which have been redeemed, converted or cancelled, and (2) the certificate numbers of such Bonds.
- 8.4 Destruction:** Unless otherwise instructed by the Issuer, the Fiscal Agent shall destroy the cancelled definitive registered Bonds in its possession and send the Issuer a certificate upon request giving the certificate numbers of such definitive registered Bonds in numerical sequence.
- 8.5 Records:** The Fiscal Agent shall keep a record of the purchase, redemption, conversion, replacement, cancellation and destruction of all Bonds and the conversion of Bonds into existing and/or newly-issued Ordinary Shares. It shall make such record available at all reasonable times to the Issuer.

9 Duties of the Agents in respect of Transfer of Bonds

If and to the extent specified by the Conditions and in accordance therewith and the terms of this Agreement or if otherwise requested by the Issuer each Agent will:

- 9.1.1** receive requests for the transfer of Bonds, inform the Registrar of the aggregate principal amount of Bonds to be transferred, the name(s) and address(es) to be entered on to the Register and the place and manner of delivery of the new definitive registered Bond (if any), forward the deposited definitive registered Bonds to the Registrar (if appropriate), and assist in the issue of a new definitive registered Bond in accordance with the Transfer Regulations;
- 9.1.2** keep the Registrar informed of all transfers; and
- 9.1.3** carry out such other acts as may be necessary to give effect to the Conditions and the other provisions of this Agreement.

10 Replacement Bonds

- 10.1 Stocks of Bonds:** Following the exchange of the Global Bond for definitive registered Bonds the Issuer shall cause a sufficient quantity of additional forms of definitive registered Bonds to be made available, upon request, to the Registrar or the Fiscal Agent (each in such capacity, the “**Replacement Agent**”) for the purpose of issuing replacement Bonds.
- 10.2 Replacement:** The Replacement Agent shall issue replacement definitive registered Bonds in accordance with the Conditions.
- 10.3 Conditions to Replacement:** The Replacement Agent shall verify, in the case of an allegedly lost, stolen or destroyed definitive registered Bond in respect of which the certificate number is known or believed to be known, that such definitive registered Bond has not previously been redeemed, purchased, paid or, as the case may be, converted. The Replacement Agent shall not issue a replacement definitive registered Bond unless and until the applicant therefor has:
- 10.3.1** paid such fees, expenses and costs as may be incurred by the Issuer or Fiscal Agent in connection with the replacement;
 - 10.3.2** furnished it with such evidence and indemnity as the Issuer, the Registrar and/or the Replacement Agent may require; and
 - 10.3.3** surrendered to it any mutilated or defaced definitive registered Bond.
- 10.4 Cancellation:** The Replacement Agent shall cancel and, unless otherwise instructed by the Issuer, destroy any mutilated or defaced definitive registered Bonds replaced by it and shall send the Issuer, the Registrar and the Fiscal Agent a certificate giving the information specified in Clause 8.4.
- 10.5 Notification:** The Replacement Agent shall, on issuing a replacement definitive registered Bond, forthwith inform the Issuer and the other Paying, Transfer and Conversion Agents of the certificate numbers of the replacement definitive registered Bond and of the definitive registered Bond which it replaces.
- 10.6 Presentation of a replaced definitive registered Bond:** if a definitive registered Bond which has been replaced is presented to an Agent for payment, that Agent shall forthwith inform the Fiscal Agent, which shall inform the Issuer. The Agent shall not pay any amount in respect of any such replaced definitive registered Bond without the prior consent in writing of the Issuer.

11 Duties of the Registrar

- 11.1 The Register:** The Registrar shall maintain the Register which shall be kept at the specified office of the Registrar outside the United Kingdom in accordance with the Conditions and the Transfer Regulations. The Register shall show the amount and certificate numbers of the Bonds, and the date of issue and all subsequent transfers, conversions, replacements, redemptions and changes of ownership in respect thereof and the names and addresses of the holders of the Bonds. The Registrar shall at all reasonable times during office hours make the Register available to the Issuer and the Fiscal Agent or any person authorised by any of them for inspection and for the taking of copies thereof or extracts therefrom and the Registrar shall deliver to such persons all such lists of holders of Bonds, their addresses and holdings as they may request.

- 11.2 Transfers:** The Registrar will receive requests for the transfer or, pursuant to Clause 5, conversion of Bonds and will also receive Bonds deposited with the other Agents for transfer and effect the necessary entries in accordance with the Transfer Regulations.
- 11.3 Payment:** The Registrar will record payments of interest and principal in respect of the Bonds in the Register.
- 11.4 Miscellaneous:** The Registrar will carry out such other acts as may be necessary to give effect to the Conditions and the other provisions of this Agreement.

12 Documents and Forms for the Registrar

- 12.1 Supply of Forms:** If the Global Bond is, pursuant to its provisions, to be exchanged for definitive registered Bonds, the Issuer will deliver to the Registrar for the performance of its duties hereunder:
- 12.1.1** a supply of forms of duly executed definitive registered Bonds sufficient to meet the Registrar's anticipated requirements for definitive registered Bonds in reasonably sufficient time for the issue of the definitive registered Bonds; and
 - 12.1.2** from time to time, so long as any Bond is outstanding, sufficient additional forms of duly executed definitive registered Bonds as may be required for the performance of the Registrar's duties.
- 12.2 Safekeeping of Bonds:** The Registrar shall maintain in safe custody all Bonds and forms of Bond delivered to and held by it and shall ensure that Bonds are issued only in accordance with the Conditions (including the provisions of the Global Bond) and the provisions of this Agreement.
- 12.3 Information:** Within seven days of any request therefor by the Issuer or the Fiscal Agent, so long as any of the Bonds are outstanding, the Registrar shall certify to the Issuer and the Fiscal Agent the number of Bonds held by it hereunder.

13 Information and Regulations Concerning the Bonds

- 13.1 Provision of Information:** The Agents will give to the other Agents and the Registrar such further information with regard to their activities hereunder as may reasonably be required by them for the proper carrying out of their respective duties. To the extent permissible, the Issuer shall on request provide each Agent with such information as it may reasonably require for such Agent to properly carry out its respective duties.
- 13.2 Regulations:** The Issuer may, subject to the Conditions, from time to time promulgate regulations concerning the carrying out of transfers and registration of Bonds and the forms and evidence to be provided (the "**Transfer Regulations**"). The initial Transfer Regulations are set out in Schedule 4. The Agents agree to comply with the Transfer Regulations as the same may be amended from time to time by agreement among the Issuer, the Fiscal Agent and the Registrar.

14 Notices

- 14.1 Publication:** At the request and expense of the Issuer, the Fiscal Agent shall arrange for the publication of all notices to Bondholders.

14.2 Notice of Default: The Fiscal Agent shall promptly notify the Issuer of any notice received by it from a Bondholder under Condition 10.

15 Documents

15.1 Documents available for inspection: If so required by the relevant stock exchange, the Issuer shall send to the Paying, Transfer and Conversion Agents sufficient copies of all documents required by any stock exchange on which the Bonds are listed from time to time to be available for issue or inspection, collection, delivery or otherwise (and the Paying, Transfer and Conversion Agents shall make them so available to Bondholders), with the exception of this Agreement, which will only be available for inspection unless the Bondholder making the relevant request is properly identified, in which case, this Agreement shall also be available for issue, collection, delivery or otherwise to such Bondholder.

15.2 Forms of Proxy and Block Voting Instruction: The Registrar shall, at the request of the Bondholder, make available uncompleted and unexecuted Forms of Proxy and issue Block Voting Instructions in a form and manner which comply with the provisions of Schedule 3. The Registrar shall keep a full record of completed and executed Forms of Proxy received by it and will give to the Issuer, not less than 24 hours before the time appointed for any meeting or adjourned meeting, full particulars of duly completed Forms of Proxy received by it and of Block Voting Instructions issued by it in respect of such meeting or adjourned meeting.

16 Indemnity

16.1 Indemnity in favour of the Agents: The Issuer shall indemnify each Agent, on an after tax basis, against any claim, demand, action, liability, damages, cost, loss or expense (together “**Losses**”) (including, but not limited to, all costs, legal fees, charges and expenses (together “**Expenses**”) paid or incurred in disputing or defending any Losses) which it incurs, other than such costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 19.1 and otherwise than by reason of the wilful default or negligence or fraud of such Agent, as a result or arising out of or in relation to its acting as the agent of the Issuer in relation to the Bonds.

16.2 Indemnity in favour of the Issuer: Each Agent shall severally indemnify the Issuer, on an after tax basis, against any Losses (including, but not limited to Expenses paid or incurred in disputing or defending any Losses) which it incurs as a result of the wilful default or negligence or fraud of such Agent or of their respective officers, directors or employees.

16.3 Consequential loss: Notwithstanding any provision of this Agreement to the contrary, the Agents shall not in any event be liable for indirect, punitive or consequential loss or special damages or other damages of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if the Agents have been advised of the likelihood of such loss or damage regardless of whether the claim for loss or damage is made in negligence, breach of contract or otherwise.

16.4 Survival of Indemnities: The indemnities set out in this Agreement shall survive its termination or the resignation or removal of any of its agents.

17 General

- 17.1 No agency or trust:** In acting under this Agreement the Agents shall have no obligation towards or relationship of agency or trust with any Bondholder and act solely as agent of the Issuer and shall only perform the duties set out specifically in this Agreement and the Conditions and no implied duties shall be read into this Agreement or the Bonds against the Agents. None of the Agents shall be under any obligation to take any action hereunder which may involve it incurring any expense or liability, the payment or indemnification of which is not assured to it.
- 17.2 Holder to be treated as owner:** Except as otherwise required by law, each Agent will treat the holder of a Bond as its absolute owner as provided in the Conditions and will not be liable for doing so.
- 17.3 No lien:** No Paying, Transfer and Conversion Agent shall exercise any lien, right of set-off or similar claim against any Bondholder in respect of moneys payable by it under this Agreement.
- 17.4 Taking of advice:** Each Agent may consult, at the expense of the Issuer, with any legal or other professional adviser selected by it, provided that the Issuer has given its prior written consent, not to be unreasonably withheld or delayed. No Agent shall be liable in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.
- 17.5 Reliance on documents etc.:** No Agent shall be liable in respect of anything done or suffered by it in reliance on a Bond, notices, certificates or other document reasonably believed by it to be genuine.
- 17.6 Other relationships:** Any Agent and any other person, whether or not acting for itself, may acquire, hold or dispose of any Bond or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person, and may act on, or as depositary, trustee or agent for, any committee or body of holders of securities of any such person, in each case with the same rights as it would have had if that Agent were not an Agent and need not account for any profit.
- 17.7 Unclear instructions:** Agents shall not be under any obligation to take any action under this Agreement if unclear, conflicting or equivocal instructions are received from the Issuer.
- 17.8 General liability:** Notwithstanding anything to the contrary in this Agreement or the Conditions, the Agents shall not be liable to any person for any matter or thing done or omitted in any way in connection with this Agreement or the Conditions save in relation to its own negligence, wilful default or fraud.
- 17.9 Monitoring compliance:** No Agent shall have any responsibility to: (i) monitor whether the Issuer or any other party is complying with its obligations hereunder or under the Conditions; or (ii) take any steps to ascertain whether any relevant event under this Agreement or the Conditions has occurred or determine whether any relevant event has occurred at any time. The Agents shall have no liability to any person for any loss arising from any breach by any party or the occurrence of any relevant event.
- 17.10 Illegality:** No Agent shall be required to undertake any act which it may regard as being illegal or contrary to any law or regulation or policies relating to "know your client" and anti-money laundering to which it is subject.

17.11 Force majeure: Notwithstanding anything in this Agreement to the contrary, the Agents shall not be responsible or liable for any delay or failure to perform under this Agreement or for any losses resulting, in whole or in part, from or caused by any event beyond the reasonable control of the Agents including without limitation: strikes, work stoppages, acts of war, terrorism, acts of God, governmental actions, exchange or currency controls or restrictions, devaluations or fluctuations, interruption, loss or malfunction of utilities, communications or any computer (software or hardware) services, the application of any law or regulation in effect now or in the future, or any event in the country in which the relevant duties under this Agreement are performed (including, but not limited to, nationalisation, expropriation or other governmental actions, regulation of the banking or securities industry, sanctions imposed at national or international level or market conditions) which may affect, limit, prohibit or prevent the performance in full or in part of such duties until such time as such law, regulation or event shall no longer affect, limit, prohibit or prevent such performance (in full or in part) and in no event shall the Agents be obliged to substitute another currency for a currency whose transferability, convertibility or availability has been affected, limited, prohibited or prevented by such law, regulation or event.

18 Changes in Agents

18.1 Appointment and Termination: Subject to Clause 18.3, the Issuer may at any time without giving any reason or being responsible for any costs occasioned by such action appoint additional Paying, Transfer and Conversion Agents and/or terminate the appointment of any Agent by giving to the Fiscal Agent and that Agent at least 60 days' notice to that effect, which notice shall expire at least 30 days before or after any due date for payment of any Bonds.

18.2 Resignation: Any Agent may resign its appointment, at any time, without giving any reason or being responsible for any costs occasioned by such action, by giving the Issuer and the Fiscal Agent at least 60 days' notice to that effect, which notice shall expire at least 30 days before or after any due date for payment of any Bonds or interest. Notwithstanding the above, the Issuer agrees with each Agent that if, by the day falling 10 days before the expiry of any notice referred to above, the Issuer has not appointed a replacement Agent, then if there would not be an Agent in respect of the role from which such Agent is resigning, the relevant Agent shall be entitled, on behalf of the Issuer, to appoint in its place any reputable independent international financial institution of good standing.

18.3 Condition to Resignation and Termination: No resignation or (subject to Clause 18.5) termination of the appointment of the Fiscal Agent shall, however, take effect until a new Fiscal Agent (which shall be a bank or trust company) has been appointed and no resignation or termination of the appointment of a Paying, Transfer and Conversion Agent shall take effect if there would not then be Paying, Transfer and Conversion Agents as required by the Conditions. Immediately following such appointment, the Issuer shall give notice of such appointment to the Fiscal Agent, the Registrar, the remaining Agents and the Bondholders whereupon the Issuer, the Fiscal Agent, the Registrar and the remaining Agents and the replacement Agent shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

18.4 Change of Office: If an Agent changes the address of its specified office in a city it shall give the Issuer and the Fiscal Agent at least 60 days' notice of the change (at its, and not

the Issuer's, expense), giving the new address and the date on which the change is to take effect.

18.5 Automatic Termination: The appointment of the Fiscal Agent or the Paying, Transfer and Conversion Agents shall forthwith terminate if the Fiscal Agent or the Paying, Transfer and Conversion Agents, respectively, become incapable of acting, are adjudged bankrupt or insolvent, file a voluntary petition in bankruptcy, make an assignment for the benefit of its creditors, consent to the appointment of a receiver, administrator or other similar official of all or a substantial part of their property or admit in writing their inability to pay or meet their debts as they mature or suspend payment thereof, or if a resolution is passed or an order made for the winding-up or dissolution of the Fiscal Agent or of the Paying, Transfer and Conversion Agents, or a receiver, administrator or other similar official of any of them, respectively, or all or a substantial part of their property is appointed, a court order is entered approving a petition filed by or against them under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the Fiscal Agent or the Paying, Transfer and Conversion Agents or their property or affairs for the purpose of rehabilitation, conservation or liquidation.

18.6 FATCA Withholding

Notwithstanding any other provision in this Agreement, if the Issuer determines, in its sole discretion, that it will be required to withhold or deduct any FATCA Withholding in connection with any payments due on the Bonds and such FATCA Withholding would not have arisen but for the relevant Agent not being or having ceased to be a person to whom payments are free from FATCA Withholding, the Issuer will be entitled to terminate the appointment of the relevant Agent on written notice and such termination will be effective from any such time specified in writing to such Agent. For the avoidance of doubt, the Issuer will not pay any additional amount to any individual, person or entity (including the Bondholders) as a result of such FATCA Withholding.

18.7 Successor Corporations: A corporation into which an Agent is merged or converted or with which it is consolidated or which results from a merger, conversion or consolidation to which it is a party shall, to the extent permitted by applicable law, be the successor Agent under this Agreement without further formality. The Agent concerned shall forthwith notify such an event to the other parties to this Agreement.

18.8 Delivery of Records: If the Fiscal Agent or the Registrar resigns or its appointment is terminated, it shall on the date the resignation or termination takes effect pay to the new Fiscal Agent any amount held by it for payment of the Bonds (in the case of the resignation or termination of the Fiscal Agent) and deliver to the new Fiscal Agent or Registrar (as the case may be) the records kept by it and all (if any) Bonds held by it in its capacity as an Agent pursuant to this Agreement.

18.9 Notices: The Issuer shall give the Bondholders at least 30 days' notice of any proposed appointment, termination, resignation or change under Clauses 18.1 to 18.5 of which it is aware and, as soon as practicable, notice of any succession under Clause 18.7 of which it is aware. The Issuer shall give Bondholders, as soon as practicable, notice of any termination under Clause 18.5 of which it is aware.

18.10 Compliance with certain Spanish Tax Formalities: The Agents and the Issuer have agreed to implement certain procedures that are required under Spanish law and regulations to allow payments on the Bonds to be made free and clear of Spanish withholding tax pursuant to and in accordance with the procedures set forth in Schedule 6 hereto.

19 Commissions, Fees and Expenses

19.1 Agents' Fees: The Issuer will pay to the Fiscal Agent the commissions, fees and expenses in respect of the Agents' services as separately agreed with the Fiscal Agent and the Issuer need not concern itself with their apportionment between the Agents.

19.2 Costs: The Issuer will also pay on demand, upon presentation of the relevant invoice, all out-of-pocket expenses (including legal expenses and all advertising and postage expenses) properly and reasonably incurred by the Agents in connection with their services together with any amounts not recoverable in respect of value added tax and stamp, issue, documentary or other equivalent taxes and duties.

19.3 Taxes: All payments in respect of the obligations of the Issuer under this Agreement shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Spain or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the relevant Agent of such amounts as would have been received by them if no such withholding or deduction had been required, provided that:

19.3.1 the Agent is the beneficial owner of all sums payable under this Agreement and is a resident for tax purposes in a country which has entered into a treaty for the avoidance of double taxation with Spain (a "**Tax Treaty**") under which provisions all sums payable to the Agent shall be taxable only in the country of residence of the Agent;

19.3.2 the Agent is not acting for the purposes of this Agreement through a permanent establishment in the Spanish territory;

19.3.3 the Agent does not operate or act for the purposes of this Agreement, through a tax haven jurisdiction (as defined in Royal Decree 1080/1991, of 5 July, as amended); and

19.3.4 prior to any payment date, the Agent has provided the Issuer with a valid certificate of tax residence within the meaning of the relevant Tax Treaty duly issued by the tax authorities of its country of tax residence evidencing that the Agent is entitled to the benefits of the said Tax Treaty. The tax certificate shall be issued by the tax authorities of its country of tax residence not more than 12 months prior to the date on which the relevant amount is due and payable.

19.4 Obligations to survive: Any outstanding obligations of the Issuer to the Agents and the Registrar under this Clause 19 shall survive the termination of this Agreement and the Conditions and the resignation or removal of any of the Agents or the Registrar.

20 Confidentiality

20.1 Confidentiality: The Agents and the Issuer will at all times respect the confidentiality of all information acquired as a result of or pursuant to this Agreement and will not, without the other party's prior written consent, disclose any such information to a third party, other than (i) as required by any applicable law or regulation or pursuant to an order of a court or regulatory body of competent jurisdiction, (ii) to their auditors, lawyers and other advisors and consultants which are bound by a professional or other confidentiality obligation, (iii) in

connection with any judicial proceedings, and (iv) as specifically authorised to do so pursuant to this Agreement or by any separate agreement.

20.2 Processing controlled by each Agent: In order to provide, manage and invoice its services to the Issuer and to satisfy legal obligations it is subject to, each Agent will process data relating to the Issuer. The Issuer may freely refuse to provide any Agent with the information requested by such Agent. However, such a refusal will be an obstacle preventing the start or continuation of business relations between the Issuer and the relevant Agent. Each Agent will only ask for the information needed to fulfil its obligations and provide the Issuer with its services and may communicate such data to processors (in accordance with equivalent conditions to those detailed in Clause 20.3) and local supervisory authorities as necessary for the latter or the relevant Agent to achieve the above-mentioned purposes. The Issuer may, at its request, access the data relating to it. The Issuer undertakes to communicate the information included in this Clause 20.2 to the concerned persons acting with respect to this Agreement.

20.3 Processing controlled by the Issuer and carried out by the Agent: Whilst performing this Agreement and providing its services, any Agent may process personal data relating to Bondholders, (hereafter the “Data”) on behalf of the Issuer. With respect to these acts of processing, each Agent will act as a processor to the Issuer and undertakes, under its responsibility, to:

20.3.1 process the Data exclusively as necessary to perform this Agreement and provide the services requested by the Issuer or otherwise in accordance with instructions received from the Issuer from time to time; and not to disclose the Data to third parties unless they are of this Agreement;

20.3.2 not to process the Data outside the European Economic Area without the Issuer’s prior approval; and

20.3.3 implement all appropriate technical and organisational measures so as to ensure the protection of the Data against accidental or unlawful destruction or accidental loss, falsification, unauthorised dissemination or access and against all other unlawful forms of processing

20.4 Transfer of Data to perform services: The Issuer expressly authorises the transfer of Data, under any Agent’s responsibility, to the Agent’s group entities or third parties (such as to a correspondent, a processor or any other person providing services to such Agent) if such transmission is required to allow the Agent to provide its services to the Issuer or to satisfy legal obligations it or the recipient of the Data is subject to. The Issuer expressly authorises such transfers. Each Agent assumes the responsibility that these third parties treat these Data as confidential and in accordance with applicable data protection laws.

21 Communications

21.1 Notices: Any communication shall be in the English language and shall be by letter, electronic communication:

in the case of the Issuer, to it at:

Ence Energía y Celulosa, S.A.
Beatriz de Bobadilla, 14
28040 Madrid
Spain

Email: aavellop@ence.es / ftorrobam@ence.es
Attention: Alfredo Avello / Felipe Torroba

in the case of the Fiscal Agent and Paying, Transfer and Conversion Agent, to it at:

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

Email: corpsov1@bnymellon.com
Attention: Corporate Trust – Conventional Debt EMEA Team 1

and in respect of any communication relating to a Conversion Notice, with a copy to:

BNY Mellon International Corporate Trust
Merck House
15 Seldown Lane
Poole, Dorset BH15 1PX
United Kingdom

Email: CONVTRAN@bnymellon.com
Attention: Paying Agency – CONVTRAN, Poole Operations, International Corporate
Trust Service Delivery

in the case of the Registrar, to it at:

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

Email: LUXMB_SPS@bnymellon.com
Attention: Structured Product Services

or any other address of which written notice has been given to the parties in accordance with this sub-Clause. Such communications will take effect in the case of a letter, when delivered, and in the case of an electronic communication, subject to no delivery failure notification being received by the sender within 24 hours of the time of despatch, on the day of despatch, provided that any communication which is sent or received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-Business Day in the place of receipt shall be deemed to take effect at the opening of business on the next following Business Day in such place.

21.2 Notices through Fiscal Agent: All communications relating to this Agreement between the Issuer and any of the Agents or between the Agents themselves shall be made (except where otherwise expressly provided) through the Fiscal Agent.

21.3 Notices to the Issuer: The Fiscal Agent shall inform the Issuer promptly and, in any case, within 5 days of receipt by them or the Agents, of any notification or communication addressed to it regarding the issue of the Bonds, including any notification of any legal action or procedure which may be filed against it.

21.4 Communications: In no event shall any of the Agents be liable for any Losses arising to any of the Agents receiving or transmitting any data from the Issuer by facsimile or email or any other non-secure method of transmission or communication or any instructions or directions delivered through BNY Mellon Connect, CIDD, Nexen or any alternative electronic platform used to submit instructions.

The parties hereto accept that some methods of communication are not secure and the Agents shall incur no liability for receiving instructions via any such non-secure method. The Agents shall have no duty or obligation to verify or confirm that the person who sent such instructions is, in fact, a person authorised to give instructions on behalf of the Issuer and shall have no liability for any Losses incurred or sustained by the Issuer as a result of such reliance in good faith upon or compliance with such instructions. The Issuer agrees that the indemnity set out in Clause 16.1 (Indemnity in favour of the Agents) shall apply in respect of any Loss suffered by any Agent, as a result of acting upon instructions and directions sent by non-secure method of transmission or communication and relied upon by it in good faith.

22 Governing Law and Jurisdiction

22.1 Governing Law: This Agreement, and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

22.2 Jurisdiction: The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and any non-contractual obligations arising out of or in connection with it and accordingly any legal action or proceedings arising out of or in connection with this Agreement or any such obligations ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of Agents and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

22.3 Process Agent: The Issuer irrevocably appoints Law Debenture Corporate Services Limited of 100 Wood Street, London EC2V 7EX, United Kingdom as its authorised agent for service of process in England. If for any reason such agent shall cease to be such agent for service of process, the Issuer shall forthwith, on request of Agents, appoint a new agent for service of process in England and deliver to the Agents a copy of the new agent's acceptance of that appointment within 30 days. Nothing shall affect the right to serve process in any other manner permitted by law.

23 Counterparts

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

In witness whereof, this Agreement has been entered into the day and year first above written.

ENCE ENERGÍA Y CELULOSA, S.A.

By: 

THE BANK OF NEW YORK MELLON, LONDON BRANCH
as Fiscal Agent and Paying, Transfer and Conversion Agent

By: 

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH
as Registrar

By:

In witness whereof, this Agreement has been entered into the day and year first above written.

ENCE ENERGÍA Y CELULOSA, S.A.

By:

THE BANK OF NEW YORK MELLON, LONDON BRANCH

as Fiscal Agent and Paying, Transfer and Conversion Agent

By: *Michael Lee* Michael Lee
Vice President

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH

as Registrar

By: *Michael Lee* MICHAEL LEE
AUTHORISED SIGNATORY

Schedule 1 Form of Definitive Registered Bond

On the front:

ISIN: XS1783932863

Bond Number: [●]

Common Code: 178393286

THE BONDS REPRESENTED BY THIS BOND HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNDER THE SECURITIES ACT EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

ENCE ENERGÍA Y CELULOSA, S.A.

(incorporated in the Kingdom of Spain)

€160,000,000 1.25 per cent. Convertible Bonds due 2023

This Bond is a definitive registered Bond and forms part of a series designated as specified in the title (the “**Bonds**”) of Ence Energía y Celulosa, S.A. (the “**Issuer**”) and constituted by the Fiscal Agency Agreement referred to on the reverse hereof. The Bonds are subject to, and have the benefit of, that Fiscal Agency Agreement and the terms and conditions (the “**Conditions**”) set out on the reverse hereof. In addition, the Issuer has executed a public deed (*escritura pública*) relating to the Bonds dated 23 February 2018, granted before the Notary of Madrid, Mr. José Miguel García Lombardía, with number 777 of his protocol.

The Issuer hereby certifies that [●] is/are, at the date hereof, entered in the Register as the holder(s) of Bonds in the principal amount of €[●].

The Issuer, for value received, promises to pay to or to the order of the person who appears at the relevant time on the Register as holder of the Bond(s) represented by this Definitive Registered Bond, in accordance with the Conditions referred to above such amount or amounts as shall become due and payable from time to time in respect of such Bond(s) and otherwise to comply with the Conditions referred to above.

The Bonds are convertible into Ordinary Shares of the Issuer of €0.90 each, subject to and in accordance with the Conditions and the Fiscal Agency Agreement.

The Bonds represented by this definitive registered bond are convertible into existing and/or newly-issued ordinary shares of the Issuer subject to and in accordance with the Conditions and the Fiscal Agency Agreement.

This definitive registered Bond is evidence of entitlement only. Title to the Bonds passes only on due registration on the Register and only the duly registered holder is entitled to payments in respect of this Bond.

This definitive registered Bond shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

This definitive registered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with, English law.

In Witness whereof the Issuer has caused this Bond to be executed as a deed on its behalf.

Dated [●]

.....

Director

For and on behalf of

ENCE ENERGÍA Y CELULOSA, S.A.

Certificate of Authentication

This Registered Bond is authenticated and delivered by
or on behalf of the Registrar

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH
as Registrar

By:

Authorised Signatory

For the purposes of authentication only.

For use by the Paying, Transfer and Conversion Agent:¹

- Following the exercise by the Issuer on [●] of its tax redemption option pursuant to Condition 7(c), a Bondholder's Tax Exercise Notice (as defined in the Paying, Transfer and Conversion Agency Agreement) was received by the Paying, Transfer and Conversion Agent on [●] in respect of the Bonds represented by this Definitive Registered Bond. Accordingly, the provisions of Condition 9 shall not apply in respect of any payment in respect of principal or interest to be made on such Bonds which falls due after the Tax Redemption Date specified in the Tax Redemption Notice.

¹ Paying, Transfer and Conversion Agent to mark on any Definitive Registered Bond (by ticking this box) in respect of which a Bondholder's Tax Exercise Notice has been received.

Terms and Conditions of the Bonds

The following, save for the paragraphs in italics, are the terms and conditions of the Bonds which will be incorporated by reference into the Global Bond and endorsed on the Bonds in definitive form. References to the word “conversion” (and related terms) in the following terms and conditions of the Bonds shall be construed as including references to the conversion of the Bonds into new Ordinary Shares and/or the exchange of Bonds for existing Ordinary Shares.

The issue of the €160,000,000 1.25 per cent. Senior Unsecured Convertible Bonds due 2023 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any further bonds issued pursuant to Condition 17 and consolidated and forming a single series with the Bonds) was (save in respect of any such further bonds that may be issued pursuant to Condition 17) authorised by resolutions of the Board of Directors of Ence Energía y Celulosa, S.A., with its registered office at Calle Beatriz de Bobadilla, 14, 28040 Madrid, Spain, (the “**Issuer**”) passed on 21 February 2018 on the basis of the authorisation granted by the decision taken by the shareholders of the Issuer at the General Meeting held on 30 March 2017. A fiscal, transfer and conversion agency agreement dated 5 March 2018 (the “**Fiscal Agency Agreement**”) has been entered into in relation to the Bonds between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent (the “**Fiscal Agent**”, which expression shall include any successor as fiscal agent under the Fiscal Agency Agreement), the paying, transfer and conversion agents for the time being (such persons, together with the Fiscal Agent, being referred to below as the “**Paying, Transfer and Conversion Agents**”, which expression shall include their successors as Paying, Transfer and Conversion Agents under the Fiscal Agency Agreement) and The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as registrar (the “**Registrar**”, which expression shall include any successor as registrar under the Fiscal Agency Agreement). The Issuer has in addition, entered into a calculation agency agreement dated 5 March 2018 (the “**Calculation Agency Agreement**”) with Conv-Ex Advisors Limited (the “**Calculation Agent**”, which expression shall include any successor as calculation agent under the Calculation Agency Agreement) pursuant to which the Calculation Agent has been appointed to make certain calculations in relation to the Bonds.

Copies of the Fiscal Agency Agreement, the Calculation Agency Agreement and these terms and conditions (the “**Conditions**”) are available during normal business hours at the specified office of each of the Paying, Transfer and Conversion Agents and the Registrar. The Bondholders are deemed to have notice of all the provisions of the Fiscal Agency Agreement which are applicable to them. The Fiscal Agency Agreement includes the form of the Bonds. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

The Issuer, as required by Spanish law, has executed an *escritura pública* (the “**Public Deed**”) before a Spanish notary public in relation to the issue of the Bonds and has registered the Public Deed with the Mercantile Registry of Madrid. The Public Deed contains, among other information, these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Fiscal Agency Agreement unless the context otherwise requires or unless otherwise stated.

1 Form, Denomination, Title and Status

(a) *Form and Denomination*

The Bonds are in registered form, serially numbered, in principal amounts of €100,000 each (an “**Authorised Denomination**”).

(b) *Title*

Title to the Bonds will pass by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as appropriate) or anything written on it or on the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder.

(c) *Status of the Bonds*

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated debts under Article 92 of Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the “**Law 22/2003**” or the “**Insolvency Law**”) or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank *pari passu* without any preference among themselves and at least *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

In the event of insolvency (concurso) of the Issuer, under the Insolvency Law, claims relating to the Bonds (which are not subordinated pursuant to article 92 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency estate (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits and the rights of shareholders.

Accrued and unpaid interest due in respect of the Bonds at the commencement of an insolvency proceeding (concurso) of the Issuer will qualify as subordinated credits. Accrual of interest on the Bonds shall be suspended as from the date of any declaration of insolvency (concurso) in relation to the Issuer.

2 Negative Pledge

So long as any Bond remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries (but excluding Unrestricted Subsidiaries) will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith or (b) providing such other security for the Bonds as may be approved by an Extraordinary Resolution of Bondholders.

3 Definitions

In these Conditions, unless otherwise provided:

“**Additional Ordinary Shares**” has the meaning provided in Condition 6(d).

“**Authorised Denomination**” has the meaning provided in Condition 1(a).

“**Bondholder**” and “**holder**” mean the person in whose name a Bond is registered in the Register (as defined in Condition 4(a)).

“**business day**” means (save as provided in Condition 8(g)), in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

“**Cash Distribution**” has the meaning provided in Condition 6(b)(v).

“**Change of Control**” has the meaning provided in Condition 6(b)(vi).

“**Closing Price**” means, in respect of an Ordinary Share, or any Security, option, warrant or other right or asset on any Trading Day, the closing price on the Relevant Stock Exchange on such Trading Day of an Ordinary Share or, as the case may be, such Security, option, warrant or other right or asset published by or derived from Bloomberg page HP (or any successor page) (setting Last Price, or any other successor setting and using values not adjusted for any event occurring after such Trading Day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of the Relevant Stock Exchange in respect of such Ordinary Share, Security, option, warrant or other right or asset (all as determined by the Calculation Agent) (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares as at the Issue Date is ENC SM Equity HP), if available or, in any other case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such Trading Day, and translated, if not in the Relevant Currency, into the Relevant Currency by the Calculation Agent at the Prevailing Rate on such Trading Day, provided that if on any such Trading Day (for the purpose of this definition, the “**Original Date**”), such price is not available or cannot otherwise be determined as provided above, the Closing Price of an Ordinary Share, Security, option, warrant, or other right or asset, as the case may be, in respect of such Trading Day shall be the Closing Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined, and further provided that if such immediately preceding Trading Day falls prior to the fifth day before the Original Date, an Independent Adviser shall determine the Closing Price in respect of the Original Date in good faith, all as determined by (where specifically provided above) an Independent Adviser or (in any other case) the Calculation Agent.

“**CNMV**” has the meaning provided in Condition 7(e).

“**Conversion Date**” has the meaning provided in Condition 6(g).

“**Conversion Notice**” has the meaning provided in Condition 6(g).

“**Conversion Period**” has the meaning provided in Condition 6(a).

“**Conversion Price**” has the meaning provided in Condition 6(a).

“**Conversion Right**” has the meaning provided in Condition 6(a).

“**Cumulative Cash Distribution Amount**” has the meaning provided in Condition 6(b)(v).

“**Distribution**” means a Cash Distribution and/or a Non-Cash Distribution, as the context may so require.

“**Distribution Date**” has the meaning provided in Condition 6(b)(iv).

“**equity share capital**” means, in relation to any entity, its issued share capital excluding any part thereof which, neither as regards dividends nor as regards capital, carries any right to participate beyond a specified amount in a distribution.

“**Ex-Date**” in relation to any dividend or distribution (including without limitation a Cash Distribution) or other entitlement, the first Trading Day on which the Ordinary Share is quoted ex- such dividend or other distribution or entitlement on the Relevant Stock Exchange.

“**Excess Shares**” has the meaning provided in Condition 6(b)(vi).

“**Extraordinary Cash Distribution**” has the meaning provided in Condition 6(b)(v).

“**Extraordinary Resolution**” has the meaning given in the Fiscal Agency Agreement.

“**Fair Market Value**” means, on any date (the “**FMV Date**”):

- (a) in the case of a Cash Distribution, the amount of such Cash Distribution, as determined in good faith by the Calculation Agent;
- (b) in the case of any other cash amount, the amount of such cash, as determined in good faith by the Calculation Agent;
- (c) in the case of Securities (including Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined in good faith by the Calculation Agent or an Independent Adviser), the arithmetic mean of (a) in the case of Ordinary Shares or (to the extent constituting equity share capital) other Securities or Spin-Off Securities, the daily Volume Weighted Average Prices of the Ordinary Shares or such other Securities or Spin-Off Securities and (b) in the case of other Securities or Spin-Off Securities (to the extent not constituting equity share capital), options, warrants or other rights or assets, the Closing Prices of such Securities, Spin-Off Securities, options, warrants or other rights or assets, in the case of both (a) and (b) during the period of five Trading Days on the Relevant Stock Exchange for such Securities, Spin-Off Securities, options, warrants or other rights or assets commencing on the FMV Date (or, if later, the first such Trading Day (the “**Adjusted FMV Date**”) such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded, provided that where such Adjusted FMV Date falls after the fifth day following the FMV Date, the Fair Market Value of such Securities (including Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets shall instead be determined pursuant to paragraph (d) below) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded all as determined in good faith by the Calculation Agent;
- (d) in the case of Securities, Spin-Off Securities, options, warrants or other rights or assets that are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as aforesaid), an amount equal to the fair market value of such Securities, Spin-Off Securities, options, warrants or other rights or assets as determined in good faith by an Independent Adviser on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights or assets, and including as to the expiry date and exercise price (if any) thereof.

Such amounts shall if necessary be translated into the Relevant Currency (if not expressed in the Relevant Currency on or prior to the FMV Date (or, as applicable in the case of (c) above, the Adjusted FMV Date)) at the Prevailing Rate on the FMV Date (or, as applicable in the case of (c) above, the Adjusted FMV Date), all as determined in good faith by the Calculation Agent. In addition, in the case of (a) and (b) above, the Fair Market Value shall be determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

“**Final Date**” has the meaning provided in Condition 7(e).

“**Final Maturity Date**” means 5 March 2023.

“**First Call Date**” has the meaning provided in Condition 7(b)(i).

“**Guarantee**” means, in relation to any Indebtedness of any person, any obligation of another person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;

- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness.

“**Iberclear**” means the Spanish clearing and settlement system (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal*).

“**Indebtedness**” means any indebtedness of any person for money borrowed or raised.

“**Independent Adviser**” means an independent financial institution or adviser with appropriate expertise, which may be the Calculation Agent, appointed by the Issuer at its own expense from time to time and whenever required by these Conditions.

“**Interest Payment Date**” has the meaning provided in Condition 5(a).

“**Interest Period**” has the meaning provided in Condition 5(a).

“**International Financial Reporting Standards**” means International Financial Reporting Standards as adopted by the European Union from time to time pursuant to Regulation 1606/2002/EC.

“**Issue Date**” means 5 March 2018.

“**Last Cash Distribution**” has the meaning provided in Condition 6(b)(v).

“**Last Reference Period**” has the meaning provided in Condition 6(b)(v).

“**Market Price**” means the Volume Weighted Average Price of an Ordinary Share on the relevant Reference Date, provided that if any dividend or other distribution or entitlement in respect of the Ordinary Shares is announced, whether on or prior to or after the relevant Conversion Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such dividend or other distribution or other entitlement shall be on or after the Conversion Date and if, on the relevant Reference Date, the Volume Weighted Average Price of an Ordinary Share is based on a price ex-dividend or ex-such other distribution or entitlement, then such Volume Weighted Average Price shall be increased by an amount equal to the Fair Market Value of such dividend or other distribution or entitlement per Ordinary Share as at the date of first public announcement of such dividend or other distribution or entitlement (or if that is not a Trading Day, the immediately preceding Trading Day), determined in good faith by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit and provided that, for the avoidance of doubt, there shall be no double-counting in respect of any dividend or other distribution or entitlement.

“**Material Subsidiary**” means, at any relevant time, a Subsidiary of the Issuer (other than an Unrestricted Subsidiary) whose:

- (a) total assets or gross revenues (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or gross consolidated revenues) at any relevant time represent no less than 10.0 per cent. of the total consolidated assets or gross consolidated revenues, respectively, of the Issuer and its Subsidiaries, as calculated by reference to the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer and the latest accounts or six-monthly reports of each relevant Subsidiary (consolidated or, as the case may be, unconsolidated) prepared in accordance with International Financial Reporting Standards, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer relate, then for the purpose of applying each of the foregoing tests, the

reference to the Issuer's latest consolidated audited accounts or consolidated six-monthly reports shall be deemed to be a reference to such accounts or reports as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultation with the Issuer; or

- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary.

“**Non-Cash Distribution**” has the meaning provided in Condition 6(b)(iv).

“**Optional Redemption Date**” has the meaning provided in Condition 7(b).

“**Optional Redemption Notice**” has the meaning provided in Condition 7(b).

“**Ordinary Shares**” means fully paid ordinary shares in the capital of the Issuer with, on the Issue Date, a par value of €0.90 each.

“**Other Securities**” means equity securities of the Issuer other than Ordinary Shares.

“**Parity Value**” means, in respect of any Trading Day, the amount determined in good faith by the Calculation Agent and calculated as follows:

$$PV = N \times VWAP$$

where

$$PV = \text{the Parity Value}$$

N = the number of Ordinary Shares determined by dividing €100,000 by the Conversion Price in effect on such Trading Day rounded down, if necessary, to the nearest whole number of Ordinary Shares (and without taking into account the Change of Control Conversion Price (if relevant) prevailing on such Trading Day), provided that if (A) such Trading Day falls on or after (i) the Ex-Date in relation to any dividend or distribution (including without limitation a Cash Distribution) or other entitlement in respect of which an adjustment is required to be made to the Conversion Price pursuant to Conditions 6(b)(i), 6(b)(ii), 6(b)(iv) or 6(b)(v) or (ii) the date of the first public announcement of the terms of a Non Pre-Emptive Issue of Securities in respect of which an adjustment is required to be made to the Conversion Price pursuant to Condition 6(b)(iii), and (B) such adjustment is not yet in effect on such Trading Day, the Conversion Price in effect on such Trading Day shall for the purpose of this definition only be multiplied by the adjustment factor subsequently determined by the Calculation Agent to be applicable in respect of the relevant Conversion Price adjustment

VWAP = the Volume Weighted Average Price of an Ordinary Share on such Trading Day.

A “**person**” includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

“**Permitted Security Interest**” means:

- (a) any Security Interest in existence on the Issue Date to the extent that it secures the €50,000,000 EURIBOR plus 3.45 per cent. Bonds due 24 November 2025 issued by ENCE Energia, S.L. and/or any refinancing thereof (provided that the principal amount thereof is not increased as part of any such financing);

- (b) any Security Interest created in respect of Relevant Indebtedness of an entity that has merged with, or has been acquired (whether in whole or in part) by the Issuer or any of its Subsidiaries, provided that such Security Interest:
- (i) was in existence at the time of such merger or acquisition;
 - (ii) was not created for the purpose of providing security in respect of the financing of such merger or acquisition;
 - (iii) is not increased in amount or otherwise extended following such merger or acquisition other than pursuant to a legal or contractual obligation (x) which was assumed (by operation of law, agreement or otherwise) prior to such merger or acquisition by an entity which, at such time, was not a Subsidiary of the Issuer, and (y) which remains legally binding at the time of such merger or acquisition; and
 - (iv) any Security Interest that does not fall within (a) to (c) above and that secures Indebtedness which, when aggregated with Indebtedness secured by all other Security Interests permitted under this paragraph, does not exceed €35,000,000 (or its equivalent in other currencies).

“**Prevailing Rate**” means in respect of any pair of currencies on any day, the spot mid-rate of exchange between the relevant currencies prevailing as at 12 noon (London time) on that date (for the purpose of this definition, the “**Original Date**”) as appearing on or derived from Bloomberg Page BFIX (or any successor page) in respect of such pair of currencies or, if such a rate cannot be so determined, the rate prevailing as at 12 noon (London time) on the immediately preceding day on which such rate can be so determined, provided that if such immediately preceding day falls earlier than the fifth day prior to the Original Date or if such rate cannot be so determined (all as determined in good faith by the Calculation Agent), the Prevailing Rate in respect of the Original Date shall be the rate determined in such other manner as an Independent Adviser shall consider appropriate.

“**Purchase Rights**” has the meaning provided in Condition 6(b)(ii).

“**Put Date**” has the meaning provided in Condition 7(e).

“**Put Exercise Notice**” has the meaning provided in Condition 7(e).

“**Put Period**” has the meaning provided in Condition 7(e).

“**Put Price**” has the meaning provided in Condition 7(e).

“**Record Date**” has the meaning provided in Condition 8(c).

“**Reference Date**” means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect.

“**Reference Period**” has the meaning provided in Condition 6(b)(v).

“**Reference Shares**” means, in respect of the exercise of Conversion Rights by a Bondholder, the number of Ordinary Shares (rounded down, if necessary, to the nearest whole number) determined by the Calculation Agent by dividing the principal amount of the Bonds the subject of the relevant exercise of Conversion Rights by the Conversion Price in effect on the relevant Conversion Date, except that where the Conversion Date falls on or after the date on which an adjustment to the Conversion Price takes effect pursuant to Conditions 6(b)(i), 6(b)(ii), 6(b)(iv) or 6(b)(v) but on or prior to the record date or other due date for establishment of entitlement in respect of the relevant dividend or other distribution or entitlement, issue or grant (as the case may be) giving rise to such adjustment, then provided the Issuer is able to confer the benefit of the relevant dividend, or other distribution or entitlement, issue or grant (as the case may be) on the relevant Bondholder in respect of the

relevant Ordinary Shares to be issued or delivered to such Bondholder in respect of the relevant exercise of Conversion Rights, the Conversion Price in respect of such exercise shall be such Conversion Price as would have been applicable to such exercise had no such adjustment been made.

“**Registry Date**” has the meaning provided in Condition 6(g).

“**Relevant Currency**” means at any time, the currency in which the Ordinary Shares are listed, quoted or dealt in such time on the Relevant Stock Exchange.

“**Relevant Date**” means, in respect of any Bond, whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 15 that, upon further presentation of the Bond, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions.

“**Relevant Indebtedness**” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any listing authority, stock exchange or quotation system in respect of negotiable securities (including, without limitation, any over-the-counter securities market). “**Relevant Period**” has the meaning provided in Condition 6(b)(vi).

“**Relevant Reference Period**” has the meaning provided in Condition 6(b)(v).

“**Relevant Stock Exchange**” means:

- (i) in respect of Ordinary Shares, the Spanish Stock Exchanges or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on any of the Spanish Stock Exchanges, the principal stock exchange or securities market on which the Ordinary Shares are then listed or quoted or dealt in, and
- (ii) in respect of any Securities (other than Ordinary Shares) or, as the case may be, Spin-Off Securities, options, warrants or other rights or assets, the principal stock exchange or securities market on which such Securities (other than Ordinary Shares) or, as the case may be, Spin-Off Securities, options, warrants or other rights or assets are then listed or quoted or dealt in,

where “**principal stock exchange or securities market**” shall mean the stock exchange or securities market on which such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are listed, admitted to trading or quoted or dealt in, provided that if such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are listed, admitted to trading or quoted or dealt in (as the case may be) on more than one stock exchange or securities market at the relevant time, then “**principal stock exchange or securities market**” shall mean that stock exchange or securities market on which such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are then traded as determined by the Calculation Agent (if the Calculation Agent determines that it is able to make such determination) or (in any other case) by an Independent Adviser by reference to the stock exchange or securities market with the highest average daily trading volume in respect of such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets.

“**Reserved Matter**” means any proposal (i) to change the Final Maturity Date or the First Call Date (other than deferring the First Call Date) or any dates for the payment of interest or any other amount in respect of the Bonds, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 7(b), (c) or (e) (other than removing the right of the Issuer to redeem the Bonds pursuant to Condition 7(b) or (c)) or the amount payable upon such redemption, (iii) to reduce or cancel the principal

amount of, or interest on, the Bonds or to reduce the amount payable on redemption of the Bonds, (iv) to modify the basis for calculating interest or any other amount payable in respect of the Bonds, (v) to modify the provisions relating to, or cancel, the Conversion Rights, other than a reduction to the Conversion Price or an increase in the number of Ordinary Shares, (vi) to increase the Conversion Price, (vii) to change the currency of the denomination of the Bonds or of any payment in respect of the Bonds, (viii) to change the governing law of the Bonds or the Fiscal Agency Agreement, or (ix) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

“**Retroactive Adjustment**” has the meaning provided in Condition 6(d).

“**Securities**” means any securities including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer (and “**Security**” shall be construed accordingly).

“**Security Interest**” means any mortgage, pledge, charge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

“**Shareholders**” means the holders of Ordinary Shares.

“**Share Record Date**” has the meaning provided in Condition 6(g).

“**Spanish Stock Exchanges**” means the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the automated quotation system thereof.

“**Spin-Off**” means:

- (a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Issuer) to Shareholders as a class pursuant to any arrangements with the Issuer or any of its Subsidiaries.

“**Spin-Off Securities**” means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

“**Subsidiary**” means, in relation to any person (the “**first person**”) at any particular time, any other person (the “**second person**”):

- (a) 50 per cent or more of the Voting Rights of which is at the relevant time directly or indirectly owned or controlled by the first person; or
- (b) whose affairs and policies at such time the first person controls or has the power to control, whether by ownership of Voting Rights, share capital, contract, the power to appoint and remove members of the board of directors or others governing body or otherwise; or
- (c) whose financial statements are at such time, in accordance with applicable law and generally accepted accounting principles, consolidated with the first person's financial statements.

“**Tax Redemption Date**” has the meaning provided in Condition 7(c).

“**Tax Redemption Notice**” has the meaning provided in Condition 7(c).

“**TARGET Business Day**” means a day on which the TARGET System is operating.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

“**Tender Offer**” has the meaning provided in Condition 6(b)(vi).

“**Tender Offer Consideration**” has the meaning provided in Condition 7(e).

“**Tender Offer Period**” has the meaning provided in Condition 7(e).

“**Tender Offer Triggering Event**” has the meaning provided in Condition 7(e).

“**Tender Offer Value**” has the meaning provided in Condition 7(e).

“**Threshold Amount**” has the meaning provided in Condition 6(b)(v).

“**Total Cash Distribution Amount**” has the meaning provided in Condition 6(b)(v).

“**Trading Day**” means, in respect of any Security (including an Ordinary Share) or, as the case may be, a Spin-Off Security, option, warrant or other right or asset, any day (other than Saturday or Sunday) on which the Relevant Stock Exchange in respect of such Security or, as the case may be, a Spin-Off Security, option, warrant or other right or asset is open for business (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular week day closing time) and such Security, Spin-Off Security, option, warrant or other right may be dealt.

“**Unrestricted Subsidiary**” means ENCE Energía, S.L.U. (“**Ence Energía**”) and its Subsidiaries as at the Issue Date (as set out below) and any other future Subsidiary of Ence Energía (but excluding any future Subsidiary of Ence Energía (a) which was previously directly owned by the Issuer or any Subsidiary of the Issuer which is not an Unrestricted Subsidiary or (b) to which material assets are transferred by the Issuer or any Subsidiary of the Issuer which is not an Unrestricted Subsidiary provided that for such purpose any transfer of assets relating to the Celulosa division by either the Issuer or Silvasur Agroforestal, S.A.U. to any future Subsidiary of Ence Energía which is completed by 31 December 2018 shall be disregarded).

As of the Issue Date, Ence Energía’s Subsidiaries are: Celulosa Energía S.A.U, Ence Energía Huelva S.L.U, Ence Energía Extremadura S.L.U., Ence Energía Huelva Dos S.L.U, Energía de La Loma S.A., Energías de la Mancha Eneman S.A., Bioenergía Santamaría S.A., Ence Energía Puertollano S.L.U., Ence Energía Gran Canaria S.L.U., Ence Energía PAMI S.L.U., Ence Energía Extremadura Dos S.L.U., Sostenibilidad Económica Circular S.L.U., Ence Energía Celta S.L.U., Ence Energía Castilla y León S.L.U. and Ence Energía Castilla y León Dos S.L.U..

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any Trading Day, the volume-weighted average price on such Trading Day on the Relevant Stock Exchange of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived from Bloomberg page HP (or any successor page) (setting “Weighted Average Line” or any other successor setting and using values not adjusted for any event occurring after such Trading Day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of the Relevant Stock Exchange in respect of such Ordinary Share, Security or, as the case may be, Spin-Off Security, (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares as at the Issue Date is ENC SM Equity HP) if any or, in any such case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such Trading Day, and translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such Trading Day, provided that if on any such Trading Day (for the purposes of this definition, the “**Original Date**”) such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or Spin-Off Security, as the case may be, in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined and further provided that if such immediately preceding Trading Day falls prior to the fifth day before the Original Date, an Independent Adviser shall determine the

Volume Weighted Average Price in respect of the Original Date in good faith, all as determined in good faith by (where specifically provided above) an Independent Adviser or (in any other case) the Calculation Agent.

“**Voting Rights**” means the right generally to vote at a general meeting of shareholders of the relevant entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

“€” and “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

References to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to Shareholders “**as a class**” or “**by way of rights**” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders, other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of the Volume Weighted Average Price, the Closing Price, or any arithmetic mean or arithmetic average thereof, on multiple Trading Days, such adjustments (if any) shall be made as the Calculation Agent or an Independent Adviser considers appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

For the purposes of Conditions 6(b), (d), (g) and (h) and Condition 10 only, (a) references to the “**issue**” of Ordinary Shares shall include the transfer and/or delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (b) Ordinary Shares held by or on behalf of the Issuer or any of its Subsidiaries (and which, in the case of Condition 6(b)(i), (ii) and (iv), do not rank for the relevant right or other entitlement) shall not be considered as or treated as “**in issue**”. References to the “conversion” of Bonds shall be construed as including references to the conversion of the Bonds into new Ordinary Shares and/or the exchange of Bonds for existing Ordinary Shares.

4 Registration and Transfer of Bonds

(a) Registration

The Issuer will cause a register (the “**Register**”) to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of Bonds.

(b) Transfer

Bonds may, subject to the terms of the Fiscal Agency Agreement and to Conditions 4(c) and 4(d), be transferred in whole or in part in an Authorised Denomination by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Conversion Agent.

No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will within seven business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Bond, deliver a new Bond to the transferee (and, in the case

of a transfer of part only of a Bond, deliver a Bond for the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Bond by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) *Formalities Free of Charge*

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith; (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application; and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar.

(d) *Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (or part thereof) (i) during the period of 15 days immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 7(b) or 7(c); (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 6(g); or (iii) in respect of which a holder has exercised its right to require redemption pursuant to Condition 7(e); or (iv) during the period of 15 days ending on (and including) any Record Date in respect of any payment of interest on the Bonds.

5 Interest

(a) *Interest Rate*

The Bonds bear interest from and including the Issue Date at the rate of 1.25 per cent. per annum calculated by reference to the principal amount thereof and payable semi-annually in arrear in equal instalments on 5 March and 5 September in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 5 September 2018.

Where interest is required to be calculated for any period which is shorter than an Interest Period it will be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of the number of days in the Interest Period in which the relevant period falls and the number of Interest Periods normally ending in any year.

“**Interest Period**” means the payment period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(b) *Accrual of Interest*

Each Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Issue Date (subject in any such case as provided in Condition 6(i)); or (ii) where such Bond is being redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption thereof unless, upon due presentation thereof (if so required), payment of the principal amount of the Bond is improperly withheld or refused, in which event interest will continue to accrue as provided in Condition 5(a) (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and

(b) the seventh day after the Fiscal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

6 Conversion of Bonds

(a) Conversion Period and Conversion Price

Each Bond shall entitle the holder (a “**Conversion Right**”) to convert such Bond into new and/or existing Ordinary Shares, in each case credited as fully paid, subject to and as provided in these Conditions.

Subject as provided in Condition 6(b)(vi), the number of Ordinary Shares to be issued or delivered on exercise of a Conversion Right shall be equal to the Reference Shares in respect of such exercise.

The initial Conversion Price is €7.2635 per Ordinary Share. On the basis of the initial Conversion Price, each Bond of €100,000 Authorised Denomination would entitle the holder to receive (subject as provided in these Conditions) approximately 13,767 Ordinary Shares (subject to the provisions of this Condition 6(a) in relation to fractions of Ordinary Shares). The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b) and the expression “**Conversion Price**” shall be construed accordingly.

A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond (together with a duly completed Conversion Notice (as defined below)) to the specified office of any Paying, Transfer and Conversion Agent in accordance with Condition 6(g) whereupon the Issuer shall (subject as provided in these Conditions) deliver or procure the delivery to, or as directed by, the relevant Bondholder of Ordinary Shares credited as paid up in full as provided in this Condition 6.

Subject to, and as provided in these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from (and including) the Issue Date to the close of business (at the place where the relevant Bond is delivered for conversion) on the date falling seven Madrid business days prior to the Final Maturity Date or, if the Bonds shall have been called for redemption pursuant to Condition 7(b) or 7(c) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the seventh Madrid business day before the date fixed for redemption thereof pursuant to Condition 7(b) or 7(c), unless there shall be default in making payment in respect of such Bond on such date fixed for redemption, in which event the Conversion Right shall extend up to the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 15 or, if earlier, the Final Maturity Date; provided that, in each case, if the final date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of the Conversion Right by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Conversion Rights may not be exercised in respect of a Bond which the relevant holder has either (i) given notice pursuant to Condition 10 or (ii) exercised its right to require the Issuer to redeem pursuant to Condition 7(e).

Save where a notice of redemption is given by the Issuer in the circumstances described in Condition 6(i), Conversion Rights may not be exercised by a Bondholder in circumstances where the relevant Conversion Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Bonds and ending on the relevant Interest Payment Date (both days inclusive).

The period during which Conversion Rights may (subject as provided below) be exercised by a Bondholder is referred to as the “**Conversion Period**”.

Conversion Rights may only be exercised in respect of an Authorised Denomination. Where Conversion Rights are exercised in respect of part only of a Bond, the old Bond shall be cancelled and a new Bond for the balance thereof shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within seven business days, in the place of the specified office of the Registrar, following the relevant Conversion Date deliver such new Bond to the Bondholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary mail, at the expense of the Bondholder) mail the new Bond by uninsured mail to such address as the Bondholder may request.

Fractions of Ordinary Shares will not be issued or transferred and delivered on conversion or pursuant to Condition 6(d) and no cash payment or other adjustment shall be made in respect thereof, provided that if the Conversion Right in respect of more than one Bond is exercised at any one time such that Ordinary Shares are to be issued or transferred and delivered to the same person, the number of such Ordinary Shares to be issued or delivered in respect thereof, and any fraction of an Ordinary Share, shall be calculated by the Calculation Agent on the basis of the aggregate principal amount of such Bonds being so converted.

The Issuer will procure that Ordinary Shares to be delivered or transferred on conversion will be delivered or transferred to the holder of the Bonds completing the relevant Conversion Notice or his nominee.

(b) *Adjustment of Conversion Price*

Upon the occurrence of any of the events described in Condition 6(b)(i) to (vi) below, the Conversion Price shall be adjusted by the Calculation Agent (unless otherwise specified) as follows:

(i) *Increase of capital by means of capitalisation of reserves, profits or premia by distribution of Ordinary Shares, or division or consolidation of Ordinary Shares:*

Subject to Condition 6(e), in the event of a change in the Issuer’s share capital as a result of capitalisation of reserves, profits or premia, by means of the distribution of Ordinary Shares (other than a distribution of Ordinary Shares constituting a Cash Distribution as referred to in Condition 6(b)(v) below), and in the event of division or consolidation of Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the result of the following formula:

$$N_{\text{Old}} / N_{\text{New}}$$

where:

N_{Old} is the number of Ordinary Shares existing before the change in share capital; and

N_{New} is the number of Ordinary Shares existing after the change in share capital.

Such adjustment shall become effective on the date (for the purpose of this Condition 6(b)(i), the “**Effective Date**”) which is (i) the date on which such Ordinary Shares are distributed or (ii) in the event of division or consolidation of Ordinary Shares, the first day the Ordinary Shares are traded on the new basis on the Relevant Stock Exchange.

(ii) *Issues of Ordinary Shares or Other Securities to Shareholders by way of conferring subscription or purchase rights:*

Subject to Condition 6(e), if (a) the Issuer or any Subsidiary of the Issuer issues or grants to Shareholders any options, warrants or other rights per Ordinary Share to subscribe for or acquire Ordinary Shares, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities (other than an issue of Ordinary Shares as referred to in Condition 6(b)(i) or constituting a Cash Distribution as referred to in Condition 6(b)(v) below) or (b) any third party pursuant to any agreement or arrangement with the Issuer or any Subsidiary issues to Shareholders any options, warrants or other rights to purchase any Ordinary Shares, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities (the options, warrants or other rights referred to in (a) and (b) collectively and individually being the “**Purchase Rights**”), in each case in circumstances whereby such Purchase Rights are issued or granted to Shareholders as a class, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the result of the following formula:

$$(P_{\text{cum}} - R) / P_{\text{cum}}$$

where:

P_{cum} is the arithmetic average of the Volume Weighted Average Prices of one Ordinary Share on the five consecutive Trading Days ending on (and including) the Trading Day immediately preceding the date (for the purpose of this Condition 6(b)(ii), the “**Determination Date**”) which is the later of (x) the Trading Day on which the Ordinary Shares are first traded ex-Purchase Rights on the Relevant Stock Exchange or (y) the day on which the terms of the Purchase Right are first publicly announced by the Issuer or any Subsidiary of the Issuer (or any third party pursuant to any agreement or arrangement with the Issuer or any Subsidiary as aforesaid); and

R is the deemed value of the Purchase Right relating to one Ordinary Share or Other Security, such value to be calculated as follows:

(A) in the event the Purchase Rights relate to Ordinary Shares to be subscribed or acquired solely against fixed cash consideration:

$$R = P_{\text{cum}} - D$$

where:

$$D = (N_{\text{old}} \times P_{\text{cum}} + N_{\text{max}} \times (X_{\text{rights}} + \text{Div})) / (N_{\text{old}} + N_{\text{max}})$$

and:

N_{old} is the number of Ordinary Shares existing before the issue or grant giving rise to the adjustment and entitled to receive such Purchase Rights; and

N_{max} is the maximum number of Ordinary Shares which could be issued on exercise in full of the Purchase Rights at a price equal to X_{rights} ; and

X_{rights} is the price (translated if necessary into the Relevant Currency at the Prevailing Rate on the Determination Date) at which one new Ordinary Share can be subscribed or acquired; and

Div is the amount (translated if necessary into the Relevant Currency at the Prevailing Rate on the Determination Date or, if earlier, the Ex-Date in relation to the relevant dividend), if any, by which the dividend

entitlement per existing Ordinary Share exceeds the dividend entitlement per new Ordinary Share, (x) if dividends have already been proposed to the general meeting of Shareholders (or, in the case of interim dividends, if such dividends have already been declared by the Issuer) but not yet paid, using the proposed (or, as the case may be, declared) dividend amount (and for this purpose, the amount of any dividend shall be deemed to be equal to the Fair Market Value thereof as at the Determination Date or, if earlier, the Ex-Date in relation to the relevant dividend), or (y) if dividends have not yet been proposed or declared as aforesaid, using such amount as is determined to be appropriate by an Independent Adviser;

provided, however, that no such adjustment shall be made if X_{rights} is at least 95 per cent. of P_{cum} (all as defined above in this Condition 6(b)(ii));

- (B) in the event the Purchase Rights relate to Ordinary Shares (other than in the circumstances the subject of Condition 6(b)(ii)(A)), Other Securities or to securities convertible or exchangeable into Ordinary Shares or Other Securities and where such Purchase Rights are admitted to trading (i) on a Relevant Stock Exchange which is a regulated stock exchange in Switzerland, the European Union, the United States of America, Canada or Japan and (ii) no later than the fifth (5th) day following the Determination Date:

$$R = N_{rights} \times P_{rights}$$

where:

N_{rights} is the number of Purchase Rights granted per Ordinary Share; and

P_{rights} is the average of the Closing Prices of one Purchase Right on each Trading Day (for the Purchase Rights) on which the Purchase Rights are so traded, disregarding any such Trading Day which falls later than the fifteenth (15th) Trading Day (for the Ordinary Share) following the Determination Date

- (C) in all other cases where neither of the previous paragraphs (A) or (B) is applicable:

R will be determined by an Independent Adviser in accordance with paragraph (iv) of the definition of “Fair Market Value”.

Such adjustment shall become effective on the date (for the purpose of this Condition 6(b)(ii), the “**Effective Date**”) which is:

- (1) in the case of Condition 6(b)(ii)(A), the Determination Date;
- (2) in the case of Condition 6(b)(ii)(B), the first date on which R is capable of being determined in accordance with the definition thereof; and
- (3) in the case of Condition 6(b)(ii)(C), the date determined by the Independent Adviser.

(iii) *Non Pre-Emptive Issues of Securities:*

If (a) the Issuer or any Subsidiary of the Issuer issues (wholly for cash or no consideration) (otherwise than as mentioned in Condition 6(b)(ii) above) to a third party any Ordinary Shares or Other Securities or options or warrants to subscribe for or acquire Ordinary Shares or Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities or

(b) any third party pursuant to any agreement or arrangement with the Issuer or any Subsidiary of the Issuer issues (wholly for cash or no consideration) (otherwise than as mentioned in Condition 6(b)(ii) above) to a third party any options, warrants to subscribe for or acquire Ordinary Shares or Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities, in each case in circumstances whereby Purchase Rights are not issued or granted to Shareholders, (the issuance of such securities referred to in (a) and (b) collectively and individually being a “**Non Pre-Emptive Issue of Securities**”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the result of the following formula:

$$(P_{\text{cum}} - D) / P_{\text{cum}}$$

where:

P_{cum} is the arithmetic average of the Volume Weighted Average Prices of one Ordinary Share on the five consecutive Trading Days ending on (and including) the Trading Day immediately preceding the date (for the purpose of this Condition 6(b)(iii), the “**Determination Date**”) which is the date of the first public announcement of the terms of the relevant Non Pre-Emptive Issue of Securities; and

D is the deemed dilution as a result of the issue of Ordinary Shares or Other Securities, such dilution to be calculated as follows:

(A) in the event of an issue of Ordinary Shares or options or warrants to subscribe for or acquire Ordinary Shares or securities convertible or exchangeable into Ordinary Shares:

$$D = P_{\text{cum}} - \text{TDP}$$

where:

$$\text{TDP} = (N_{\text{old}} \times P_{\text{cum}} + N_{\text{ni}} \times (X_{\text{issue}} + \text{Div})) / (N_{\text{old}} + N_{\text{ni}})$$

and:

N_{old} is the number of Ordinary Shares existing before the Determination Date; and

N_{ni} is the number of Ordinary Shares being newly issued (assuming, as the case may be, exercise in full of any options, warrants or other Securities convertible or exchangeable for Ordinary Shares at a price is equal to X_{issue}); and

X_{issue} is the issue price at which one new Ordinary Share was issued to a third party (or, in the case of options or warrants to subscribe for or acquire Ordinary Shares or securities convertible or exchangeable into Ordinary Shares, the initial exercise, conversion or exchange price) (translated if necessary into the Relevant Currency at the Prevailing Rate on the Determination Date)); and

Div is the amount (translated if necessary into the Relevant Currency at the Prevailing Rate on the Determination Date or, if earlier, the Ex-Date in relation to the relevant dividend), if any, by which the dividend entitlement per existing Ordinary Share exceeds the dividend entitlement

per new Ordinary Share, (x) if dividends have already been proposed to the general meeting of Shareholders (or, in the case of interim dividends, if such dividends have already been declared by the Issuer) but not yet paid, based on the proposed dividend amount (and for this purpose, the amount of any dividend shall be deemed to be equal to the Fair Market Value thereof as at the Determination Date or, if earlier, the Ex-Date in relation to the relevant dividend), or (y) if dividends have not yet been proposed or declared as aforesaid, using such amount as is determined to be appropriate by an Independent Adviser;

provided, however, that no such adjustment shall be made if X_{issue} is equal to at least 95 per cent. of P_{cum} (all as defined above in this Condition 6(b)(iii)).

(B) in all other cases where the previous paragraph (A) is not applicable:

D will be determined by an Independent Adviser.

Such adjustment shall become effective on the date (for the purpose of this Condition 6(b)(iii), the “**Effective Date**”) which is the date of issue of the Ordinary Shares or Other Securities or options or warrants to subscribe for or acquire Ordinary Shares or Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities.

(iv) *Non-Cash Distributions:*

Subject to Condition 6(e), if in respect of a Spin-Off or a capital distribution (including by way of a reduction in share capital with devolution of contributions to shareholders or writing-off of capital calls and distribution of any distributable reserve and share premium), other than an issue of Ordinary Shares as referred to in Condition 6(b)(i) above or a Cash Distribution as referred to in Condition 6(b)(v) below, the Issuer shall issue or distribute to holders of its Ordinary Shares as a class any assets, evidence of indebtedness of the Issuer, shares, put options or other rights per Ordinary Share (other than as referred to in Condition 6(b)(ii) above) (a “**Non-Cash Distribution**”), the Conversion Price shall be adjusted as follows:

(A) where the Non-Cash Distribution consists of securities that are admitted to trading (i) on a Relevant Stock Exchange which is a regulated stock exchange in Switzerland, the European Union, the United States of America, Canada or Japan and (ii) no later than the fifth day following the Determination Date, by multiplying the Conversion Price in force immediately prior to the Effective Date by the result of the following formula:

$$(P_{\text{cum}} - D) / P_{\text{cum}}$$

where:

P_{cum} is the arithmetic average of the Volume Weighted Average Prices of one Ordinary Share on the five consecutive Trading Days ending on (and including) the Trading Day immediately preceding the date (for the purpose of this Condition 6(b)(iv), the “**Determination Date**”) which is the Trading Day on which the Ordinary Shares are first traded ex-Non-Cash Distribution on the Relevant Stock Exchange; and

D is the Fair Market Value on the Determination Date of the Non-Cash Distribution attributable to one Ordinary Share;

- (B) in all other cases and where there is one (but not more than one) Determination Date in relation to a Non-Cash Distribution on a given Trading Day, by multiplying the Conversion Price in force immediately prior to the Effective Date by the result of the following formula:

$$P_{\text{ex}} / P_{\text{cum}}$$

where:

P_{ex} is the arithmetic average of the Volume Weighted Average Prices of one Ordinary Share on the five consecutive Trading Days starting on (and including) the Determination Date; and

P_{cum} is as defined in Condition 6(b)(iv)(A) above;

When calculating the average of the Volume Weighted Average Prices, the Fair Market Value (as at the Ex-Date of the relevant Cash Distribution or other entitlement) of any Cash Distribution or other entitlement (other than the Non-Cash Distribution) the Ex-Date for which occurs during either of the above mentioned periods of five consecutive Trading Days, shall be added back to the Volume Weighted Average Prices on each of the Trading Days on which the Ordinary Shares are traded ex- such Cash Distribution or other entitlement; and

- (C) in all other cases where there is more than one such Non-Cash Distribution on a given Trading Day, an Independent Adviser will determine the appropriate adjustment.

Such adjustment shall become effective on the date (for the purpose of this Condition 6(b)(iv), the “**Effective Date**”) which is:

- (1) in the case of Conditions 6(b)(iv)(A) and 6(b)(iv)(B), the first date on which the adjusted Conversion Price is capable of being determined in accordance therewith;
- (2) in the case of Condition 6(b)(iv)(C), the date determined to be appropriate by the Independent Adviser.

(v) *Cash Distributions*

Subject to Condition 6(e), if in respect of any Reference Period (the “**Relevant Reference Period**”):

(XX) the Total Cash Distribution Amount for such Relevant Reference Period (other than the Last Reference Period) is equal to zero; or

(YY) the Total Cash Distribution Amount for such Relevant Reference Period is less than the applicable Threshold Amount for such Relevant Reference Period (other than where such Total Cash Distribution Amount is equal to zero); or

(ZZ) the Cumulative Cash Distribution Amount in respect of any Cash Distribution (such Cash Distribution being the “**Extraordinary Cash Distribution**”) the Ex-Date for which falls in such Relevant Reference Period exceeds the applicable Threshold Amount for such Relevant Reference Period, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$(A - B) / (A - C)$$

where:

- A (i) in the case of (XX) above: the arithmetic average of the Volume Weighted Average Prices of one Ordinary Share on the five consecutive Trading Days ending on (and including) the last Trading Day of the Relevant Reference Period; or
- (ii) in the case of (YY) above: the arithmetic average of the Volume Weighted Average Prices of one Ordinary Share on the five consecutive Trading Days immediately preceding the Ex-Date of the Last Cash Distribution in respect of the Relevant Reference Period; or
- (ii) in the case of (ZZ) above: the arithmetic average of the Volume Weighted Average Prices of one Ordinary Share on the five consecutive Trading Days immediately preceding the Ex-Date of the Extraordinary Cash Distribution;
- B (i) in the case of (XX) above: zero; or
- (ii) in the case of (YY) above: the Fair Market Value of the Last Cash Distribution (determined as at the Ex-Date thereof) for such Relevant Reference Period; or
- (iii) in the case of (ZZ) above: the Fair Market Value per Ordinary Share of the Extraordinary Cash Distribution as at the Ex-Date thereof;
- C (i) in the case of (XX) above: the Threshold Amount for the Relevant Reference Period; or
- (ii) in the case of (YY) above: the difference between (i) the Threshold Amount for the Relevant Reference Period and (ii) the sum of the Fair Market Values per Ordinary Share of any Cash Distributions (each determined at as the relevant Ex-Date thereof) the Ex-Dates for which occurred in the Relevant Reference Period but prior to the Ex-Date of the Last Cash Distribution for such Relevant Reference Period (and for the avoidance of doubt, where no such prior Cash Distributions have been paid, “C” shall be equal to the Threshold Amount for the Relevant Reference Period); or
- (iii) in the case of (ZZ) above: the difference (if positive, and if not, “C” shall be equal to zero) between (i) the Threshold Amount for the Relevant Reference Period and (ii) the sum of the Fair Market Values per Ordinary Share of any Cash Distributions (each determined at as the relevant Ex-Date thereof) the Ex-Dates for which occurred in the Relevant Reference Period but prior to the Ex-Date of the Extraordinary Cash Distribution (and for the avoidance of doubt, where no such prior Cash Distributions have been paid, “C” shall be equal to the Threshold Amount for the Relevant Reference Period).

“Reference Period” means each period as set out in the table below:

Reference Period	Threshold Amount (EUR)
From the Issue Date (inclusive) to 30 June 2018 (inclusive)	0.066
From 1 July 2018 (inclusive) to 30 June 2019 (inclusive)	0.220
From 1 July 2019 (inclusive) to 30 June 2020 (inclusive)	0.220
From 1 July 2020 (inclusive) to 30 June 2021 (inclusive)	0.220
From 1 July 2021 (inclusive) to 30 June 2022 (inclusive)	0.220
From 1 July 2022 (inclusive) to 31 December 2022 (inclusive)	0.147

From 1 January 2023 (inclusive) to the Final Maturity Date (inclusive) (the “ Last Reference Period ”)	0.000
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In making any calculations for the purposes of this Condition 6(b)(v), such adjustments (if any) shall be made as the Calculation Agent or an Independent Adviser may determine in good faith to be appropriate to reflect any consolidation or sub-division of any Ordinary Shares or the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Ordinary Shares in issue during the Relevant Reference Period, or, as an Independent Adviser might otherwise determine to be appropriate.

“**Threshold Amount**” means, in respect of any Reference Period, the amount in respect thereof per Ordinary Share as set out in the table above (adjusted pro rata for any adjustments to the Conversion Price made pursuant to the provisions of Conditions 6(b)(i), 6(b)(ii), 6(b)(iii), 6(b)(iv) or this Condition 6(b)(v)).

On any adjustment to the Threshold Amount, the resultant Threshold Amount, if not an integral multiple of €0.00001, shall be rounded down to the nearest whole multiple of €0.00001. No adjustment shall be made to the Threshold Amount where such adjustment (rounded down if applicable) would be less than one per cent. (1%) of the Threshold Amount then in effect. Any adjustment not required to be made and/or any amount by which the Threshold Amount has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

The Issuer will give notice to the Fiscal Agent and procure that a notice is published in the manner described in Condition 15 as soon as practicable after the date on which any adjustment to the Threshold Amount becomes effective.

“**Total Cash Distribution Amount**” means, in respect of any Reference Period, the sum of the Fair Market Values of all Cash Distributions (each determined at as the relevant Ex-Date thereof) per Ordinary Share the Ex-Dates for which fall in such Reference Period.

“**Last Cash Distribution**” means, in respect of any Reference Period, the Cash Distribution the Ex-Date of which occurs last in such Reference Period.

“**Cumulative Cash Distribution Amount**” means, in respect of any Cash Distribution (the “**Relevant Cash Distribution**”) the Ex-Date for which falls in any Reference Period, the sum of (i) the Fair Market Value per Ordinary Share of such Relevant Cash Distribution (determined as at the Ex-Date thereof) and (ii) the sum of the Fair Market Values per Ordinary Share of any other Cash Distributions (each determined at as the relevant Ex-Date thereof) the Ex-Dates for which occurred in such Reference Period but prior to the Ex-Date of the Relevant Cash Distribution.

“**Cash Distribution**” means (i) any dividend or distribution paid or made to Shareholders as a class in cash in respect of the Ordinary Shares, including any repayment of the nominal amount of the Ordinary Shares but not including any dividend or distribution which is excluded in accordance with Condition 6(e) or (ii) any dividend or distribution or issue of Ordinary Shares treated as a Cash Distribution pursuant to the below.

For the purposes of this Condition 6(b)(v), where (1) a dividend or distribution to Shareholders as a class is announced which may be satisfied by the issue of Ordinary Shares in satisfaction of

the whole or part of a dividend or distribution in cash which the Shareholders would or could otherwise have elected to receive, (2) there shall be any issue of Ordinary Shares to Shareholders as a class where the Shareholders may elect to receive a dividend or distribution in cash in lieu of such Ordinary Shares (either by way of sale to the Issuer of their free allocation rights (*derechos de asignación gratuita*) in respect of such Ordinary Shares being issued as a bonus issue (*ampliación de capital liberada*) or otherwise), or (3) Ordinary Shares are issued to Shareholders as a class, which are or are expressed to be issued in lieu of a distribution (whether or not a cash distribution equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise)), then the dividend, distribution or issue of Ordinary Shares in question shall be treated as a Cash Distribution in an amount equal to the greater of:

- (A) the Fair Market Value of the cash amount of such dividend or distribution (if any) as at the Determination Date; and
- (B) the Fair Market Value of such Ordinary Shares (as at the Determination Date or, if later, the date on which the number of Ordinary Shares which may be issued is determined).

Such adjustment shall become effective on the date (for the purpose of this Condition 6(b)(v), the “**Effective Date**”) which is:

- (1) in the case of (XX) above: the first day of the Reference Period immediately following the Relevant Reference Period; or
- (2) in the case of (YY) above: the Ex-Date of the Last Cash Distribution (or, if later, the first date on which the adjusted Conversion Price is capable of being determined in accordance with this Condition 6(b)(v)); or
- (3) in the case of (ZZ) above: the Ex-Date of the Extraordinary Cash Distribution (or, if later, the first date on which the adjusted Conversion Price is capable of being determined in accordance with this Condition 6(b)(v)).

(vi) *Conversion Price Protection in relation to a Change of Control*

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

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

where:

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

c is the number of days from and including the date the Change of Control occurs to but excluding the Final Maturity Date; and

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

In these Conditions:

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

“**Control**” means:

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

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

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

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

(c) *Calculation of Adjustments*

Adjustments to the Conversion Price pursuant to this Condition 6 shall be determined and calculated upon request from the Issuer in good faith by the Calculation Agent, and/or to the extent so specified in the Conditions, and upon request from the Issuer, in good faith by an Independent Adviser.

Adjustments to the Conversion Price calculated by the Calculation Agent or, where applicable, an Independent Adviser and any other determinations made by the Calculation Agent or, where applicable, an Independent Adviser, or an opinion of an Independent Adviser, pursuant to these Conditions shall in each case be final and binding (in the absence of manifest error) on the Issuer, the Fiscal Agent, the Paying, Transfer and Conversion Agents, the Bondholders and (in the case of a determination by an Independent Adviser) the Calculation Agent. The Calculation Agent may, subject to the provisions of the Calculation Agency Agreement, consult, at the expense of the Issuer, on any matter (including but not limited to, any legal matter), with any legal or other professional adviser and it shall be able to rely upon, and it shall not be liable and shall incur no liability as against the Issuer, the Bondholders, the Fiscal Agent or the Paying, Transfer and Conversion Agents in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser’s opinion.

The Calculation Agent shall act solely upon request from and exclusively as agent of the Issuer. Neither the Calculation Agent (acting in such capacity) nor any Independent Adviser appointed in connection with the Bonds (acting in such capacity) will thereby assume any obligations towards or relationship of agency or trust with, and shall not be liable and shall incur no liability in respect of anything done, or omitted to be done in good faith, in accordance with the Conditions as against the Bondholders, the Fiscal Agent or the Paying, Transfer and Conversion Agents.

If following consultation between the Issuer and the Calculation Agent any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and an Independent Adviser, a

written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer, the Calculation Agent, the Bondholders and all other parties, save in the case of manifest error.

If in case of any adjustment the resulting Conversion Price is not an integral multiple of €0.0001 (one ten-thousandth of a euro), it shall be rounded down to the nearest whole or multiple of €0.0001 (one ten-thousandth of a euro). No adjustment shall be made to the Conversion Price where such adjustment (rounded down, if applicable) would be less than one per cent. (1%) of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

The Issuer will give notice to the Fiscal Agent and procure that a notice is published in the manner described in Condition 15 as soon as practicable after the date on which any adjustment to the Conversion Price becomes effective.

(d) Retroactive Adjustments

If the Share Record Date in relation to the conversion of any Bond shall be after the record date in respect of any division or consolidation as is mentioned in Condition 6(b)(i), or after the record date or other due date for the establishment of entitlement for any such distribution, issue or grant as is mentioned in Condition 6(b)(ii), 6(b)(iv) or 6(b)(v), or after the date of the first public announcement of the terms of any such issue as mentioned in Condition 6(b)(iii), in any case in circumstances where the relevant Conversion Date falls before the relevant adjustment becomes effective under Condition 6(b) (such adjustment, a “**Retroactive Adjustment**”), then the Issuer will ensure that all necessary steps are taken for the due transfer to the Bondholders of such additional number of Ordinary Shares (if any) (as determined by the Calculation Agent or an Independent Adviser) (the “**Additional Ordinary Shares**”) as, together with the Ordinary Shares issued or transferred and delivered on conversion of the Bonds the subject of such exercise of Conversion Rights, is equal to the number of Ordinary Shares which would have been required to be issued or transferred and delivered on conversion of such Bonds if the relevant Retroactive Adjustment had been given effect as at the said Conversion Date, and in such event and in respect of such Additional Ordinary Shares references in this Condition 6(d) to the Conversion Date shall be deemed to refer to the date (the “**Reference Date**”) upon which such Retroactive Adjustment becomes effective (notwithstanding, as the case may be, that the date upon which it becomes effective falls after the end of the Conversion Period).

(e) Events not Giving Rise to Adjustments

No adjustment to the Conversion Price will be made:

- (i) if Ordinary Shares or Other Securities (or pre-emptive rights, options or warrants in relation to Ordinary Shares or Other Securities) are issued, offered or granted to, or for the benefit of, directors or employees, or former directors or employees or consultants or former consultants of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person in any such case pursuant to any employee, director or executive share or option scheme whether for all employees, directors or executives or any of them; or
- (ii) if an increase in the Conversion Price would result from such adjustment, except in the case of (x) a consolidation of Ordinary Shares or as otherwise required under Spanish law in the case of

a share capital reduction or (y) an adjustment to the Conversion Price pursuant to Condition 6(b)(v)(XX) or Condition 6(b)(v)(YY); or

- (iii) without prejudice to Condition 11, if the Conversion Price would fall below the nominal value of an Ordinary Share. In this case, the Conversion Price will be adjusted to be equal to the nominal value of an Ordinary Share and any remaining reduction of the Conversion Price resulting from such adjustment or from any further adjustment will be carried forward and be applied only if and to the extent the nominal value of an Ordinary Share is reduced.

Spanish company law provides, in the case of a share capital reduction of the Issuer to offset losses, that the Conversion Price should be adjusted in order that the capital reduction affects equally Shareholders and Bondholders.

(f) *Other Events*

If the Issuer (after consultation with the Calculation Agent) determines, at its discretion, that notwithstanding Condition 6(b) and Condition 6(e) an adjustment should be made to the Conversion Price as a result of (i) one or more events or circumstances not referred to in Condition 6(b) or (ii) circumstances referred to in Condition 6(e), the Issuer shall engage the advice or services of an Independent Adviser, in consultation with the Calculation Agent, to determine as soon as practicable what adjustment, if any, to the Conversion Price or amendment, if any, to the terms of this Condition 6 is fair and reasonable to take account thereof and the date on which such adjustment should take effect. If more than one event occurs which become effective on or around the same day and which would lead to an adjustment of the Conversion Price pursuant to Condition 6(b), the decision as to the manner of or calculating the adjustment of the Conversion Price shall be taken by the Independent Adviser. The decision of the Independent Adviser shall be binding on all concerned, save in the case of manifest error. Neither the Fiscal Agent nor the Calculation Agent shall have any responsibility to make any inquiries as to whether or not any event has occurred which might require an adjustment to the Conversion Price or amendment, if any, to the terms of Condition 6.

(g) *Procedure for exercise of Conversion Rights*

The Conversion Right may be exercised by a Bondholder during the Conversion Period by delivering the relevant Bond to the specified office of any Paying, Transfer and Conversion Agent, during its usual business hours, accompanied by a duly completed and signed notice of conversion (a “**Conversion Notice**”) in the form (for the time being current) obtainable from any Paying, Transfer and Conversion Agent. In the relevant Conversion Notice the Bondholder is required to designate, *inter alia*, details of the Iberclear account and the name or names in which any newly-issued Ordinary Shares shall be issued and registered (or, in the case of existing Ordinary Shares, credited).

Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer and Conversion Agent to whom the relevant Conversion Notice is delivered is located. If such delivery is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the relevant Paying, Transfer and Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Paying, Transfer and Conversion Agents and the relevant Bondholder.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Bond (the “**Conversion Date**”) shall be the Madrid business day immediately following the date of the delivery of such Bond and the Conversion Notice and, if applicable, the making of any payment to be made as provided below.

A Bondholder exercising a Conversion Right must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration taxes and duties arising on conversion (other than any taxes or capital, stamp, issue or registration taxes or duties payable in the United Kingdom, Luxembourg, Belgium or the Kingdom of Spain in respect of the allotment and issue and/or transfer of any Ordinary Shares on such conversion (including any Additional Ordinary Shares), which shall be paid by the Issuer) and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with such conversion. If the Issuer shall fail to pay any taxes or capital, or stamp, issue or registration taxes or duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

The Issuer may, in its own discretion, decide to fulfil its obligations in connection with any Conversion Notice received by the transfer of existing Ordinary Shares or the allotment and issue of new Ordinary Shares and subject always to Condition 6(h). Ordinary Shares to be issued on exercise of Conversion Rights (including any Additional Ordinary Shares) will be documented in a public deed granted by the Issuer before a Spanish notary public to be filed and registered by the Issuer with the Mercantile Registry of the Issuer’s registered office from time to time and, following such registration, filed with Iberclear.

The date upon which the public deed documenting the issuance of new Ordinary Shares (including any Additional Ordinary Shares) is granted before a Spanish notary or the date upon which the Issuer instructs the relevant depository entity to transfer the existing Ordinary Shares (including any Additional Ordinary Shares) to be delivered to the relevant account of the relevant Bondholder will be the date upon which the Bonds are converted into Ordinary Shares (the “**Share Record Date**”).

Subject to satisfaction of the foregoing provisions of this Condition 6(g) and subject as provided in the immediately following paragraph, the Issuer shall procure that the Share Record Date will be, in relation to any Conversion Notice:

- (a) if the Conversion Date (or, in the case of Additional Ordinary Shares in relation to such Conversion Notice, the Reference Date) falls on or prior to the date (in respect of any Conversion Notice, the “**Cut-Off Date**”) which falls seven Madrid business days prior to the first day of the immediately following calendar month (or, if such day is not a Madrid business day, the following Madrid business day), such first day as aforesaid (or, as the case may be, the following Madrid business day); or
- (b) if the Conversion Date (or, in the case of Additional Ordinary Shares in relation to such Conversion Notice, the Reference Date) falls after the Cut-Off Date in respect of such Conversion Notice, the first day of the 2nd immediately following calendar month (or, if such day is not a Madrid business day, the following Madrid business day).

Notwithstanding the provisions of the preceding paragraph, in the case of Conversion Notices delivered in respect of which the Conversion Date falls after the seventh Madrid business day prior to the first day of the month (or, if such day is not a Madrid business day, the next following Madrid business day) in which the Final Maturity Date, the Optional Redemption Date, the Tax Redemption Date or the Put Date falls (as the case may be), the Issuer shall procure that the Share Record Date will be no later than the

Madrid business day prior to the Final Maturity Date, Optional Redemption Date, Tax Redemption Date or Put Date (as the case may be).

On and from the Share Record Date, subject to the next following sentence, the relevant Bondholder will become entitled to the economic rights of a Shareholder for the purposes of dividend entitlement and otherwise. However, the relevant Bondholder will not be able to transfer newly-issued Ordinary Shares until they have been registered in Iberclear and admitted to listing, or existing Ordinary Shares until they have been credited to the account of the relevant Bondholder or its nominee with Iberclear. The date that the newly-issued Ordinary Shares are registered in, or existing Ordinary Shares are credited to, the account of the relevant Bondholder or its nominee with Iberclear, is referred to herein as the “**Registry Date**”.

The Issuer shall use its reasonable endeavours to register newly-issued Ordinary Shares and have these Ordinary Shares listed and/or admitted to trading on the Relevant Stock Exchange or credit existing Ordinary Shares (as applicable) to the account of the relevant Bondholder or its nominee with Iberclear as soon as practicable but in no event later than 15 Trading Days, in the case of new Ordinary Shares, and five Trading Days, in the case of existing Ordinary Shares, after the relevant Share Record Date.

The Registry Date for existing Ordinary Shares and for newly-issued Ordinary Shares is generally expected to occur between one and two weeks after the relevant Share Record Date.

On or as soon as reasonably practicable after the Share Record Date with respect to any Bonds in respect of which the Conversion Right has been exercised, the Issuer, through the Fiscal Agent, will notify the relevant Bondholder of the Share Record Date and the number of existing Ordinary Shares and/or newly-issued Ordinary Shares (as the case may be) to be transferred and/or issued upon such conversion. On or as soon as reasonably practicable after the Registry Date, the Fiscal Agent on behalf of the Issuer will notify the relevant Bondholder of the Registry Date and in the event that any newly-issued Ordinary Shares are issued, the Issuer will also notify the relevant Bondholder of the date of listing and/or admission to trading.

Notwithstanding delivery by a Bondholder of a Conversion Notice with respect to any Bonds, such Bondholder shall remain a Bondholder for the purposes of these Conditions until the relevant Share Record Date, provided that once Conversion Rights with respect to a Bond have been exercised, such Bond will not be redeemable, subject to this Condition 6(g), on the Final Maturity Date or otherwise.

(h) *Ordinary Shares*

- (i) Ordinary Shares (including Additional Ordinary Shares) delivered or issued upon conversion of the Bonds will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Share Record Date, except that such Ordinary Shares will not rank for any rights, distributions or payments if the record date or other due date for the establishment of entitlement for any such right, distribution or payment falls prior to the relevant Share Record Date.
- (ii) Save as provided in Condition 6(i), no payment or adjustment shall be made on conversion for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Issue Date).

(i) *Interest on Conversion*

If any notice requiring the redemption of the Bonds is given pursuant to Condition 7(b) on or after the fifteenth Madrid business day prior to a record date which has occurred since the last Interest Payment

Date (or in the case of the first Interest Period, since the Issue Date) in respect of any Distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 Madrid business days after the Interest Payment Date next following such record date, interest shall accrue at the rate provided in Condition 5 on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date in respect of such Distribution, in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Issue Date) to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 days after the relevant Conversion Date by transfer to a euro account with a bank in a city in which banks have access to the TARGET System and in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

(j) *Purchase or Redemption of Ordinary Shares*

The Issuer may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back its own shares (including Ordinary Shares) or any depositary or other receipts representing the same without the consent of the Bondholders.

(k) *Consolidation, Amalgamation or Merger*

Without prejudice to Condition 7(e) and Condition 7(f), in the case of any consolidation, amalgamation or merger of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Issuer to another entity or entities, the Issuer will forthwith notify the Bondholders of such event and take such steps as shall be required to ensure that each Bond then outstanding will (during the period in which Conversion Rights may be exercised) be capable of conversion into the class and amount of shares and other securities, property and cash receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Ordinary Shares which would have become liable to be issued or delivered if the Conversion Rights had been exercised immediately prior to such consolidation, amalgamation, merger, sale or transfer. The above provisions of this Condition 6(k) will apply, *mutatis mutandis*, to any subsequent consolidations, amalgamations, mergers, sales or transfers.

7 Redemption and Purchase

(a) *Final Redemption*

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Bonds will be redeemed at their principal amount on the Final Maturity Date. The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 7(b) and Condition 7(c).

(b) *Redemption at the Option of the Issuer*

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Bondholders in accordance with Condition 15, the Issuer may redeem all but not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their principal amount, together with accrued and unpaid interest to, but excluding, the Optional Redemption Date:

- (i) at any time on or after 26 March 2021 (the "**First Call Date**"), if the Parity Value in respect of a Bond in the principal amount of €100,000 on each of at least 20 Trading Days in any period of

30 consecutive Trading Days ending not more than 7 days prior to the giving of the relevant Optional Redemption Notice, exceeds €130,000, as verified by the Calculation Agent upon request from the Issuer; or

- (ii) if, at any time prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of more than 85 per cent. in principal amount of the Bonds originally issued.

(c) *Redemption for Taxation Reasons*

Subject as provided in Condition 7(d), the Issuer may, having given not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders redeem (subject to the second following paragraph) all but not some only of the Bonds for the time being outstanding on the date (the "**Tax Redemption Date**") specified in the Tax Redemption Notice at their principal amount, together with accrued and unpaid interest to, but excluding, the Tax Redemption Date, if (i) immediately prior to the giving of such notice the Issuer has or will become obliged to pay additional amounts in respect of payments of interest on the Bonds pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 22 February 2018, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective).

On the Tax Redemption Date the Issuer shall (subject to the next following paragraph) redeem the Bonds at their principal amount, together with accrued and unpaid interest to, but excluding, the Tax Redemption Date.

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that its Bonds shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of interest to be made on such Bonds which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts of such interest on such Bonds shall be made subject to the deduction or withholding of any Spanish taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Conversion Agent, together with the Bond in respect of which the relevant election has been made, a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date. Any Bond so deposited shall be returned by the relevant Paying, Transfer and Conversion Agent to the relevant Bondholder on the Tax Redemption Date endorsed to reflect the election made by such Bondholder, provided that if the deposited Bond becomes immediately due and payable before that date, the Paying, Transfer and Conversion Agent concerned shall mail the Bond by uninsured post to, and at the risk of, the relevant holder.

(d) *Optional Redemption Notices and Tax Redemption Notices*

The Issuer shall not give an Optional Redemption Notice or a Tax Redemption Notice at any time during a Relevant Period or a Tender Offer Period or which specifies a date for redemption falling in a Relevant Period or a Tender Offer Period or the period of 21 days following the end of a Relevant Period or a Tender Offer Period (whether or not the relevant notice was given prior to or during such Relevant Period or a Tender Offer Period), and any such notice shall be invalid and of no effect (whether or not given prior to the relevant Relevant Period or a Tender Offer Period) and the relevant redemption shall not be made.

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date, (ii) the Conversion Price, the aggregate principal amount of the Bonds outstanding and the Closing Price of the Ordinary Shares, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice or, as the case may be, the Tax Redemption Notice; and (iii) the last day on which Conversion Rights may be exercised by Bondholders.

(e) *Redemption at the option of Bondholders following a Triggering Event*

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

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

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

In these Conditions:

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

“**Final Date**” means the last day of the Tender Offer Period.

“**Put Price**” means in respect of a Bond:

- (i) in the case of a Change of Control, the principal amount of such Bond; and
- (ii) in the case of a Tender Offer Triggering Event, the greater of (as determined by the Calculation Agent):
 - (A) the principal amount of such Bond; and
 - (B) the Tender Offer Value in respect of such Bond.

“**Tender Offer Consideration**” means the consideration per Ordinary Share receivable by holders of Ordinary Shares in respect of the relevant Tender Offer, provided that:

- (i) if the consideration is comprised solely of cash or there is alternative consideration that is comprised solely of cash, the Tender Offer Consideration shall be the amount of such cash, as determined by the Calculation Agent;
- (ii) if the consideration is comprised solely of consideration other than cash, the Tender Offer Consideration shall be determined by an Independent Adviser as the fair market value of such consideration as at the Final Date;
- (iii) if the consideration is comprised partly of cash and partly of consideration other than cash, the Tender Offer Consideration shall be determined by an Independent Adviser as the aggregate of (x) the relevant cash amount and (y) the fair market value of such non-cash consideration as at the Final Date;
- (iv) if there is alternative consideration that the shareholders may elect to receive, neither of which alternative consideration is comprised solely of cash, the Tender Offer Consideration shall be determined by an Independent Adviser as the consideration having the highest value, based on (x) any cash amount comprised in any alternative consideration and (y) the fair market value of the non-cash consideration comprised in any alternative consideration as at the Final Date; and
- (v) if the Tender Offer Consideration as determined as provided above is in a currency other than euro, it shall be translated by the Calculation Agent, if necessary, into euro at the Prevailing Rate on the Final Date.

“**Tender Offer Period**” means the period during which Shareholders are able to tender Ordinary Shares pursuant to the relevant Tender Offer.

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

“**Tender Offer Value**” in respect of a Bond means an amount in cash per Bond (translated if necessary into euro at the Prevailing Rate on the Final Date) (rounded, if necessary, to the nearest €0.01, with €0.005 being rounded upwards) calculated by the Calculation Agent by multiplying (A) the quotient of the principal amount of such Bond divided by the Conversion Price prevailing on the Final Date (with the Conversion Price for this purpose being calculated in accordance with the formula in Condition 6(b)(vi) and as if references therein to “Conversion Date” were references to the Final Date, references to the “Relevant Period” were references to the Put Period, and references to the “date the Change of Control occurs” were references to the date the Tender Offer Triggering Event occurs), by (B) the Tender Offer Consideration.

“**Triggering Event**” means the occurrence of a Change of Control or a Tender Offer Triggering Event.

(f) *Notice of Triggering Event*

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

Such notice shall also specify:

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

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

(g) *Purchase*

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 14(a).

(h) *Cancellation*

All Bonds which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be surrendered to the Fiscal Agent for cancellation or may be resold.

(i) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail, save that a notice given pursuant to Condition 7(e) shall prevail over a notice given pursuant to Condition 7(b) or (c) in circumstances where the Put Date falls prior to the Optional Redemption Date or Tax Redemption Date, as the case may be.

8 Payments

(a) *Principal*

Payment of principal in respect of the Bonds and accrued interest payable on a redemption of the Bonds (other than on an Interest Payment Date) will be made to the persons shown in the Register at the close of business on the Record Date and subject to the surrender (or, in the case of partial payment only, endorsement) of the relevant Bonds at the specified office of the Registrar or of any of the Paying, Transfer and Conversion Agents.

(b) *Interest and other Amounts*

- (i) Payments of interest due on an Interest Payment Date will be made to the persons shown in the Register at close of business on the Record Date.
- (ii) Payments of all other amounts will be made as provided in these Conditions.

(c) *Record Date*

“**Record Date**” means the seventh business day, in the place of the specified office of the Registrar, before the due date for the relevant payment.

(d) *Payments*

Each payment in respect of the Bonds pursuant to Conditions 8(a) and 8(b)(i) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(e) *Payments subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the relevant place of payment. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(f) *Delay in payment*

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due (i) as a result of the due date not being a business day or (ii) if the Bondholder is late in surrendering the relevant Bond (where such surrender is required pursuant to these Conditions as a precondition to any payment).

(g) *Business Days*

In this Condition, “**business day**” means a day (other than a Saturday or Sunday) which is a TARGET Business Day and, in the case of presentation or surrender of a Bond, on which commercial banks and foreign exchange markets are open for business in the place of the specified office of the Registrar or relevant Paying, Transfer and Conversion Agent to whom the relevant Bond is presented or surrendered.

(h) *Paying, Transfer and Conversion Agents, Calculation Agent etc.*

The initial Paying, Transfer and Conversion Agents and Registrar and their initial specified offices are listed below. The Issuer reserves the right under the Fiscal Agency Agreement at any time to vary or terminate the appointment of any Paying, Transfer and Conversion Agent or the Registrar and appoint additional or other Fiscal Agents, provided that it will (i) maintain a Fiscal Agent, (ii) maintain Paying, Transfer and Conversion Agents having specified offices in at least two major European cities and (iii) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying, Transfer and Conversion Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 15. In addition, at any time when a determination is required to be made by an Independent Adviser, the Issuer shall promptly appoint and maintain such an Independent Adviser.

The Issuer reserves the right under the Calculation Agency Agreement at any time to vary or terminate the appointment of the Calculation Agent and appoint another Calculation Agent, provided that the Issuer will maintain a Calculation Agent which shall be a financial institution of international repute or a financial adviser with appropriate expertise.

(i) *Fractions*

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

The Bonds on issue will be represented by a global Bond (the “Global Bond”) registered in the name of, and held by a nominee on behalf of, a common depositary for Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking, S.A. (“Clearstream, Luxembourg”). All payments in respect of Bonds represented by the Global Bond will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

9 Taxation

(a) *Gross up*

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (i) held by or on behalf of a Bondholder or to the beneficial owner of any Bond which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than (a) the mere holding of the Bond or (b) the receipt of principal, interest or other amount in respect of such Bond; or
- (ii) to, or to a third party on behalf of, a holder or the beneficial owner of any Bond who fails to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Bondholder, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the taxing jurisdiction of the Issuer as a condition to relief or exemption from such taxes, provided that the relevant Bondholder at that time has been notified by the Issuer or any other person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption is required to be made; or
- (iii) to, or to a third party on behalf of, a Bondholder or to the beneficial owner of any Bond if the Issuer does not receive in a timely manner certain information about the Bonds of such holder as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate from the Fiscal Agent, pursuant to Law 10/2014 and Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July, and any implementing legislation or regulation; or
- (iv) in relation to any estate, inheritance, gift, sales, transfer or similar taxes; or

- (v) to, or to a third party on behalf of, a Spanish-resident legal entity subject to the Spanish Corporate Income Tax if the Spanish tax authorities determine that the Bonds do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
- (vi) (where surrender of the relevant Bond is required as a pre-condition to the relevant payment) where the relevant Bond is surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of such Bond would have been entitled to such additional amounts on presenting or surrendering such Certificate for payment on the last day of such period of 30 days; or
- (vii) any combination of the items above.

(b) *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

(c) *FATCA*

Notwithstanding any other provision of these Conditions to the contrary, any amounts to be paid on the Bonds by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

References in these Conditions to principal and/or interest and/or any other amounts payable in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition 9.

The provisions of this Condition 9 shall not apply in respect of any payments of interest which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 7(c).

*In the case of Bonds held by a Spanish resident entity and deposited with a Spanish resident custodian, to the extent that the custodian considers that the placement of the Bonds does not comply with the requirements set out in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and that such ruling is applicable to the Bonds, the custodian may levy withholding tax at the then applicable rate (which as at the Issue Date is 19 per cent.) on the interest and income (if any) realised by the Bondholder deriving from the transfer of the amounts withheld, if any, which may be credited by the relevant Bondholder against its final Spanish Corporate Income Tax liability. In connection with the foregoing, the Issuer will not be required to pay any additional amounts in respect thereof.*

10 Events of Default

If any of the following events occurs:

(a) *Non-payment*

The Issuer (i) fails to pay any amount of principal in respect of the Bonds or to issue and deliver Ordinary Shares as provided in these Conditions following exercise of Conversion Rights, within 10 days of the due date for payment thereof or issue and delivery thereof, as the case may be, or (ii) fails to pay any amount of interest in respect of the Bonds, within 14 days of the due date for payment thereof; or

(b) *Breach of other obligations*

The Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds and such default remains unremedied for 30 days after written notice of such default shall have been given to the Fiscal Agent at its specified office by or on behalf of any Bondholder; or

(c) *Cross-default of Issuer*

- (i) Any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
- (ii) Any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or
- (iii) The Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness,

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above have occurred equals or exceeds €20,000,000 (or its equivalent in any other currency or currencies); or

(d) *Insolvency etc*

- (i) The Issuer or any of its Material Subsidiaries becomes insolvent or bankrupt or unable to pay its debts, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy;
- (ii) An administrator or liquidator of the Issuer or any of the Material Subsidiaries of the whole or any part of the undertaking, assets and revenues of the Issuer or any of the Material Subsidiaries is appointed (or application for any such appointment is made); or

(e) *Winding up etc*

An order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except in the case of a Material Subsidiary, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Bondholders; or

(f) *Distress*

A distress, attachment, execution or other legal process for an amount equal to or in excess of €20,000,000 (or its equivalent in any other currency or currencies) is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 30 days; or

(g) *Enforcement of charges*

A secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of the Issuer's Material Subsidiaries; or

(h) *Suspension*

The Issuer or any of its Material Subsidiaries stops, suspends or threatens publicly to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries;

(i) *Illegality*

It is or becomes unlawful for the Issuer to perform or comply with any one or more of its obligations under or in respect of any of the Bonds; or

(j) *Analogous event*

Any event occurs which under the laws of the Kingdom of Spain has a similar effect to any of the events referred to in the foregoing paragraphs of this Condition 10(j),

then any Bondholder in respect of its Bonds may, by written notice to the Issuer, declare that such Bonds and all interest then accrued but unpaid on such Bonds shall be forthwith due and payable, whereupon the same shall (to the extent permitted by applicable Spanish law) become immediately due and payable at its principal amount, together with all interest accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Bonds to the contrary.

For the purposes of this Condition 10, references to “*Subsidiaries*” shall be construed as excluding Unrestricted Subsidiaries.

Law 22/2003 provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (administradores concursales) within one month from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days) in the Spanish Official Gazette (Boletín Oficial del Estado), (ii) actions deemed detrimental for the insolvent estate of the insolvency debtor carried out during the two year period preceding the date of its declaration of insolvency may be rescinded, (iii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iv) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of the declaration of insolvency and any amount of interest accrued up to such date and unpaid (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

11 Undertakings

Whilst any Conversion Right remains exercisable, the Issuer will, save with the approval of an Extraordinary Resolution of Bondholders:

- (a) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:

- (i) by the issue of fully paid Ordinary Shares to Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Ordinary Shares or other shares or securities on a capitalisation of profits or reserves; or
- (ii) by the issue of Ordinary Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend; or
- (iii) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or
- (iv) by the issue of Ordinary Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Distribution or otherwise gives rise (or would, but for the provisions of Condition 6(c) relating to roundings or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price or otherwise falls to be taken into account in determining whether an adjustment to the Conversion Price shall be made;

- (b) not in any way modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 11(b)(ii) shall prevent:
 - (i) any consolidation, reclassification, redesignation or subdivision of the Ordinary Shares; or
 - (ii) any issue of Ordinary Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any of them; or
 - (iii) any modification of such rights which is not, in the opinion of an Independent Adviser (acting as an expert), materially prejudicial to the interests of the holders of the Bonds; or
 - (iv) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of Condition 6(c) relating to roundings or the fact that the consideration per Ordinary Share receivable therefore is at least 95 per cent. of P_{cum} (as defined in that Condition 6(b)(ii)) or at least 95 per cent. of the arithmetic average of the Closing Prices of one Ordinary Share on five consecutive Trading Days determined in accordance with Condition 6(b)(iii), otherwise result, in an adjustment to the Conversion Price; or
 - (v) any issue of equity share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Issuer shall have instructed an Independent Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Independent Adviser shall have determined either that no adjustment is required or that an adjustment resulting in an increase in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made

and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly);

- (c) procure that no Securities (whether issued by the Issuer or any Subsidiary of the Issuer or procured by the Issuer or any Subsidiary of the Issuer to be issued or issued by any other person pursuant to any arrangement with the Issuer or any Subsidiary of the Issuer) issued without rights to convert into, or subscribe for, Ordinary Shares shall subsequently be granted such rights unless the same gives rise, or would, but for the fact that the consideration per Ordinary Share receivable therefore is at least 95 per cent. of P_{cum} (as defined in that Condition 6(b)(ii)) or at least 95 per cent. of the arithmetic average of the Closing Prices of one Ordinary Share on five consecutive Trading Days determined in accordance with Condition 6(b)(iii), otherwise give rise, to an adjustment to the Conversion Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights and unless the same are issued, offered or granted to, or for the benefit of, directors or employees, or former directors or employees or consultants or former consultants of the Issuer or any of its Subsidiaries or any associated company or to trustees to be held for the benefit of any such person in any such case pursuant to any employee share or option scheme;
- (d) not make any issue, grant or distribution or any other action taken if the effect thereof would be that, on the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- (e) not reduce its issued share capital, share premium (*prima de emisión de acciones*) account or capital redemption reserve (*reserva por capital amortizado*) or any uncalled liability in respect thereof, or any non-distributable reserves, except:
 - (i) pursuant to the terms of issue of the relevant share capital; or
 - (ii) as permitted under applicable law and whether by way of transfer to reserves or otherwise, as long as no Distribution is made to Shareholders; or
 - (iii) where the reduction is permitted by applicable law and either it results in an adjustment to the Conversion Price or an Independent Adviser (acting as expert) advises that the interests of the Bondholders will not be materially prejudiced by such reduction,

provided that, without prejudice to the other provisions of these Conditions, the Issuer may exercise such rights as it may from time to time enjoy pursuant to applicable law to purchase and/or cancel its Ordinary Shares and any depository or other receipts or certificates representing Ordinary Shares without the consent of Bondholders;

- (f) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate (or affiliate) of the offeror) to acquire the whole or any part of the issued Ordinary Shares, or if any person proposes a scheme with regard to such acquisition, give notice of such offer or scheme to the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying, Transfer and Conversion Agents and, where such an offer or scheme has been recommended by the board of directors of the Issuer, or where such an offer has become or been declared unconditional in all respects, use all reasonable endeavours to procure that a like offer is extended to the holders of any Ordinary Shares issued during the period of the offer arising out of the exercise of the Conversion Rights by the Bondholders;
- (g) use its reasonable endeavours to ensure that (i) its issued and outstanding Ordinary Shares shall be admitted to listing and to trading on the Relevant Stock Exchange, and (ii) the Ordinary Shares issued

upon exercise of Conversion Rights will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in and use its reasonable endeavours to comply with such requirements and conditions as may be imposed by the managing companies of the Spanish Stock Exchanges (*Sociedades Receptoras de las Bolsas*) or the CNMV for the official admission to listing of shares;

- (h) use all reasonable endeavours to cause to be made an application for the Bonds to be admitted to trading on the Open Market segment of the Frankfurt Stock Exchange (*Freiverkehr*) or otherwise make or cause to be made an application for the Bonds to be listed or admitted to trading on any other regulated market, multilateral trading facility or as defined for the purposes of Directive 2014/65/EU, as amended in the European Economic Area or other organised secondary market (the “**Admission**”) prior to the first Interest Payment Date and use its reasonable endeavours to maintain such Admission for so long as any of the Bonds remain outstanding. issue and allot or, as the case may be, transfer and deliver Ordinary Shares on exercise of Conversion Rights and at all times keep available for issue free from pre-emptive rights out of its authorised but unissued capital sufficient authorised but unissued Ordinary Shares to enable the exercise of Conversion Rights, and all other rights of subscription and conversion for Ordinary Shares, to be satisfied in full;
- (i) appoint an Independent Adviser to carry out any action requested of it under the Bonds;
- (j) not take any action (nor refrain from taking any action) that would cause the Issuer to be subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax other than or in addition to the Kingdom of Spain if, at such time and under current laws and regulations, the Issuer would be required generally to make any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such territory or any political subdivision thereof or therein having power to tax in respect of payments of interest on the Bonds and where any such withholding or deduction exceeds any such withholding or deduction imposed or levied by or on behalf of the Kingdom of Spain.; and
- (k) by no later than the Issue Date, (i) publish a copy of these Conditions (including a legend regarding the intended professionals target market for the Bonds) on its website and (ii) thereafter maintain the availability of such Conditions, as amended from time to time, on such website until such time as none of the Bonds remain outstanding (as defined in the Fiscal Agency Agreement).

12 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of such payment and thereafter any principal or interest payable in respect of such Bonds shall be forfeited and shall revert to the Issuer.

13 Replacement of Bonds

If any Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying, Transfer and Conversion Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

14 Meetings of Bondholders and Modification

(a) Meetings of Bondholders

The Fiscal Agency Agreement contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one-quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) Modification

The Bonds and these Conditions may be amended without the consent of the Bondholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is not materially prejudicial to the interests of the Bondholders.

15 Notices

All notices regarding the Bonds will be valid if published through the electronic communication system of Bloomberg. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange, multi-lateral trading facility or other relevant authority on which the Bonds are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Fiscal Agent may approve.

Notwithstanding the above, for so long as all the Bonds are represented by the Global Bond and the Global Bond is deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg, notices to Bondholders will also be given by the delivery of the relevant notice to Euroclear or Clearstream, Luxembourg and such notices shall be deemed to have been given to Bondholders on the day of delivery to Euroclear and/or Clearstream, Luxembourg.

The Issuer shall send a copy of all notices given by it to Bondholders pursuant to these Conditions simultaneously (or as soon as practicable thereafter) to the Calculation Agent.

16 Spanish Corporations Act

In compliance with Condition 19(a), and save as provided in Condition 19(a), Bondholders will not benefit from any right as a holder of Bonds arising from article 418 of the Spanish Law on Capital Companies (*Ley de Sociedades de Capital*).

17 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds, notes or debentures either having the same terms and conditions in all respects as the Bonds or in all respects except for the first payment of interest on them and the first date on which conversion rights may be exercised and so that such further issue shall be consolidated and form a single series with the Bonds or upon such terms as to interest, conversion, redemption and otherwise as the Issuer may determine at the time of their issue.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

19 Governing Law and Jurisdiction

(a) *Governing law*

The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by English law. Condition 1(c) is governed by, and shall be construed in accordance with, Spanish law.

(b) *English courts*

The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Bonds (including any non-contractual obligation arising out of or in connection with the Bonds).

(c) *Appropriate forum*

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Bondholders to take proceedings outside England*

Condition 19(b) is for the benefit of the Bondholders only. As a result, nothing in this Condition 19 prevents any Bondholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Bondholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Service of process*

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited of 100 Wood Street, London EC2V 7EX, United Kingdom, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Bondholders. Nothing in this paragraph shall affect the right of any Bondholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

Fiscal Agent and Paying, Transfer and Conversion Agent

The Bank of New York Mellon, London Branch

One Canada Square

London E14 5AL

United Kingdom

Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch

Vertigo Building – Polaris

2-4 rue Eugène Ruppert

L-2453 Luxembourg

Form of Transfer

FOR VALUE RECEIVED the undersigned hereby transfers to

.....
.....

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE

(not more than four names may appear as joint holders)

€[●] in principal amount of this Bond, and all rights under it, and irrevocably requests the Registrar to transfer this Bond on the books kept for registration thereof.

Dated

Signed

Notes:

- (1) The signature to this transfer must correspond with the name as it appears on the face of this Bond.
- (2) A representative of the Bondholder should state the capacity in which he signs e.g. executor.
- (3) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (4) Any transfer of Bonds shall be in denominations of €100,000.

Schedule 2 Form of Global Bond

THE BONDS REPRESENTED BY THIS GLOBAL BOND HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNDER THE SECURITIES ACT EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT.

ISIN: XS1783932863

Bond Number: 1

Common Code: 178393286

ENCE ENERGÍA Y CELULOSA, S.A. *(incorporated in the Kingdom of Spain)*

€160,000,000 1.25 per cent. Convertible Bonds due 2023

Global Bond

The Bonds in respect of which this Global Bond is issued form part of the series designated as specified in the title (the "**Bonds**") of Ence Energía y Celulosa, S.A. (the "**Issuer**").

The Issuer hereby certifies that The Bank of New York Depository (Nominees) Limited, acting as nominee for a depository common to Euroclear and Clearstream, Luxembourg (each as defined under "**Notices**" below) is, at the date hereof, entered in the register of Bondholders (the "**Register**") as the holder of Bonds in the principal amount of

€160,000,000

(ONE HUNDRED AND SIXTY MILLION EUROS)

or such other amount as is shown on the Register as being represented by this Global Bond and is duly endorsed (for information purposes only) in the fourth column of the Schedule to this Global Bond. For value received, the Issuer promises to pay the person who appears at the relevant time on the Register as holder of the Bonds in respect of which this Global Bond is issued, such amount or amounts as shall become due and payable from time to time in respect of such Bonds and otherwise to comply with the Conditions referred to below. Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date, which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive, except 25 December and 1 January.

The Bonds are subject to the fiscal, transfer and conversion agency agreement dated 5 March February 2018 (the "**Fiscal Agency Agreement**") between, among others, the Issuer and The Bank of New York Mellon, London Branch as Fiscal Agent (the "**Fiscal Agent**") and to the terms and conditions (the "**Conditions**") set out in Schedule 1 to the Fiscal Agency Agreement, as modified by the provisions of this Global Bond. Terms defined in the Fiscal Agency Agreement have the same meaning when used herein. In addition, the Issuer has executed a public deed (*escritura pública*) relating to the Bonds dated 23 February 2018, granted before the Notary of Madrid, Mr. José Miguel García Lombardía, with number 777 of his protocol.

This Global Bond is evidence of entitlement only.

Title to the Bonds passes only on due registration on the Register and only the duly registered holder is entitled to payments on Bonds in respect of which this Global Bond is issued.

Exchange for Definitive Registered Bonds

This Global Bond is exchangeable in whole but not in part (free of charge to the holder) for definitive registered Bonds if this Global Bond is held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System (each as defined under “Notices” below) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so by such holder giving notice to the Fiscal Agent of its intention to exchange this Global Bond for definitive registered Bonds on or after the Exchange Date specified in the notice. On or after the Exchange Date the holder of this Global Bond may surrender this Global Bond to or to the order of the Registrar. In exchange for this Global Bond, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive registered Bonds.

“**Exchange Date**” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System (each as defined under “Notices” below) are located.

Except as otherwise described herein, this Global Bond is subject to the Conditions and the Fiscal Agency Agreement and, until it is exchanged for definitive registered Bonds, its holder shall in all respects be entitled to the same benefits as if it were the holder of the definitive registered Bonds for which it may be exchanged and as if such definitive registered Bonds had been issued on the date of this Global Bond.

The Conditions shall be modified with respect to Bonds represented by this Global Bond by the following provisions:

Notices

So long as this Global Bond is held on behalf of Euroclear Bank S.A./N.V., (“**Euroclear**”) and/or Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) and/or any other clearing system (the “**Alternative Clearing System**”), notices required to be given to Bondholders may be given by their being delivered to Euroclear or Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, rather than by publication as required by the Conditions, in which case such notices shall be deemed to have been given to Bondholders on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or, as the case may be, the Alternative Clearing System.

Prescription

Claims in respect of principal, interest and other amounts payable in respect of this Global Bond shall be prescribed and become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest or any other amounts) from the appropriate Relevant Date (as defined in Condition 3) and thereafter any principal or interest payable in respect of such Bonds shall be forfeited and shall revert to the Issuer.

Meetings

The holder hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each €100,000

principal amount of Bonds for which this Global Bond may be exchanged. Any accountholder (or the representative of any such person) of a clearing system with an interest in the Bonds (“**accountholders**”) represented by this Global Bond, on confirmation of entitlement and proof of identity, may attend and speak (but not vote) at any meeting of Bondholders.

Purchase and Cancellation

Cancellation of any Bond represented by this Global Bond which is required by the Conditions to be cancelled will be effected by reduction in the principal amount of this Global Bond on its presentation to or to the order of the Fiscal Agent for notation in Schedule B hereto.

Conversion

For so long as this Global Bond is held on behalf of any one or more of Euroclear, Clearstream, Luxembourg or the Alternative Clearing System, Conversion Rights (as defined in the Conditions) may be exercised as against the Issuer at any time during the Conversion Period by the presentation to or to the order of the Fiscal Agent of this Global Bond for appropriate notation, together with one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest, in accordance with the standard procedures for Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System (which may include notice being given on such accountholder’s instructions by Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System or any common depository for them to the Fiscal Agent by electronic means) and in a form acceptable to Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System.

Events of Default

From time to time the Bonds represented by this Global Bond may be declared due and payable following an Event of Default in accordance with the Conditions by stating in a notice from the relevant Bondholder given to the Fiscal Agent the principal amount of Bonds (which may be less than the outstanding principal amount hereof) to which any such notice relates.

If the principal in respect of any Bonds is not paid when due and payable (but subject as provided below), the holder of this Global Bond may from time to time elect that Direct Rights under the provisions of Schedule A hereto shall come into effect. Such election shall be made by notice from the relevant Bondholder to the Fiscal Agent and presentation of this Global Bond to or to the order of the Fiscal Agent for reduction of the principal amount of Bonds represented by this Global Bond by such amount as may be stated in such notice by endorsement in Schedule B hereto and a corresponding endorsement in Schedule A hereto of such principal amount of Bonds formerly represented hereby as the principal amount of Bonds in respect of which Direct Rights have arisen under Schedule A hereto. Upon each such notice being given the appropriate Direct Rights shall take effect.

Redemption at the Option of the Issuer

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the Conditions.

Redemption at the Option of Bondholders

The option of the Bondholders provided for in Condition 7(e) may be exercised by the holder of this Global Bond giving notice to the Fiscal Agent within the time limits set out in Condition 7(e), in accordance with the standard procedures for Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System (which may include notice being given on such accountholder’s

instructions by Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System or any common depository for them to the Fiscal Agent by electronic means) and in a form acceptable to Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System (substantially in the form of the Put Exercise Notice, as set out in Schedule 5, Part B of the Fiscal Agency Agreement), stating the principal amount of the Bonds in respect of which the option is exercised and at the same time presenting this Global Bond to the Fiscal Agent for notation accordingly in Schedule B hereto.

This Global Bond shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

This Global Bond and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

In witness whereof this Global Bond is executed as a deed on 5 March 2018.

ENCE ENERGÍA Y CELULOSA, S.A.

By:

Certificate of Authentication

This Global Bond is authenticated and delivered by or on behalf of the Registrar.

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH

as Registrar

By:

Authorised Signatory

For the purposes of authentication only.

SCHEDULE A DIRECT ENFORCEMENT RIGHTS

This Global Bond has effect as a deed poll conferring on Relevant Account Holders the Direct Rights referred to in this Schedule in respect of the principal amount of Bonds stated in paragraph 6 of this Schedule.

1 Interpretation: In this Schedule, terms are used with the same meanings as in the Global Bond and in addition:

“Clearing System Operator” means the operator of each of Euroclear and Clearstream, Luxembourg and, if relevant, the Alternative Clearing System;

“Direct Rights” means the rights referred to in paragraph 2 of this Schedule;

“Entry” means any entry relating to this Global Bond (or to the relevant part of it) or the Bonds represented by it which is or has been made in the securities account of any account holder with a Clearing System Operator and **“Entries”** shall have a corresponding meaning;

“Principal Amount” means, in respect of any Entry, the amount which would be due to the holder of the account in which such Entry is credited were the principal amount of this Global Bond or the Bonds represented by it in respect of which such Entry was made to be paid in full at its maturity;

“Relevant Account Holder” means the holder of any account with a Clearing System Operator which at the Relevant Time has credited to its securities account with such Clearing System Operator an Entry or Entries in respect of this Global Bond (or the relevant part of it) or the Bonds represented by it except for a Clearing System Operator in its capacity as an account holder of another Clearing System Operator; and

“Relevant Time” means the time when Direct Rights take effect as contemplated by this Global Bond.

2 Direct Rights: Each Relevant Account Holder shall at the Relevant Time acquire against the Issuer all rights which the Relevant Account Holder in question would have had if, immediately before the Relevant Time, it had been the holder of definitive registered Bonds issued on the issue date of this Global Bond in an aggregate principal amount equal to the Principal Amount of the relevant Entry including, without limitation, the right to receive all payments due at any time in respect of such Definitive Bonds, other than payments corresponding to any already made under this Global Bond. No further action shall be required on the part of any person in order for such Direct Rights to be acquired and for each Relevant Account Holder to have the benefit of, and to enforce, rights corresponding to all the provisions of relevant Definitive Registered Bonds as if they had been issued and as if such provisions had been specifically incorporated in this Schedule, other than the right to receive payments corresponding to any already made under this Global Bond.

3 Evidence: The records of each Clearing System Operator shall, in the absence of manifest error, be conclusive evidence of the identity of the Relevant Account Holders, the number of Entries credited to the securities account of each Relevant Account Holder with such Clearing System Operator at the Relevant Time and the Principal Amount of an Entry. For the purposes of this clause a statement issued by a Clearing System Operator stating:

3.1 the name of the Relevant Account Holder to or in respect of which it is issued;

- 3.2 the number of Entries credited to the securities account of such Relevant Account Holder with such Clearing System Operator as at the opening of business on the first day on which the Clearing System Operator is open for business following the Relevant Time; and
- 3.3 the Principal Amount of any Entry in the accounts of such Clearing System Operator, shall be conclusive evidence of the records of such Clearing System Operator at the Relevant Time (but without prejudice to any other means of producing such records in evidence). In the event of a dispute, in the absence of manifest error, the determination of the Relevant Time by a Clearing System Operator shall be final and conclusive for all purposes in connection with the Relevant Account Holders with securities accounts with such Clearing System Operator.

Any Relevant Account Holder may, in any proceedings relating to this Global Bond, protect and enforce its rights arising out of this Schedule in respect of any Entry to which it is entitled upon the basis of a statement by a Clearing System Operator as provided in this clause and a copy of this Global Bond certified as being a true copy by a duly authorised officer of any Clearing System Operator or the Registrar without the need for production in such proceedings or in any court of the actual records or this Global Bond. Any such certification shall be binding, except in the case of manifest error or as may be ordered by any court of competent jurisdiction, upon the Issuer and all Relevant Account Holders. This clause shall not limit any right of any Relevant Account Holder to the production of the originals of such records or documents in evidence.

- 4 **Title to Entries:** Any Relevant Account Holder may protect and enforce its rights arising out of this Global Bond in respect of any Entry to which it is entitled in its own name without the necessity of using the name of or obtaining any authority from any predecessor in title. Any Relevant Account Holder is entitled to receive payment of the Principal Amount of its Entry and of all other sums referable to its Direct Rights to the exclusion of any other person and payment in full by the Issuer to such Relevant Account Holder shall discharge the Issuer from all obligations in respect of such Entry and such Direct Rights.
- 5 **Governing Law:** This Schedule and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- 6 **Principal Amount:** The principal amount of Bonds in respect of which Direct Rights have arisen under this Global Bond is shown by the latest entry in the third column below:

Date	Amount of increase in principal amount of Bonds in respect of which Direct Rights have arisen	Running total of principal amount	Notation made by or on behalf of the Fiscal Agent (other than in respect of initial principal amount)
_____	_____	_____	_____

SCHEDULE B

Principal Amount of this Global Bond

The aggregate principal amount of this Global Bond is as shown by the latest entry made by or on behalf of the Fiscal Agent in the fourth column below. Reductions in the principal amount of this Global Bond following redemption or the purchase and cancellation of, or exercise of Conversion Rights in respect of, Bonds or the taking effect of Direct Rights are entered in the second and third columns below.

Date	Reason for change in the principal amount of this Global Bond	Amount of such change	Initial principal amount and principal amount of this Global Bond following such change	Notation made by or on behalf of the Fiscal Agent (other than in respect of the initial principal amount)
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SCHEDULE C

Interest Payments in respect of this Global Bond

The following payments of interest in respect of this Global Bond and the Bonds represented by this Global Bond have been made:

Date made	Amount of interest due and payable	Amount of interest paid	Notation made by or on behalf of the Fiscal Agent
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Schedule 3

Provisions for the Meetings of Bondholders

1 Definitions

In this Schedule:

- 1.1 “Block Voting Instruction”** means, in relation to any Meeting, a document in the English language issued by the Registrar or the Fiscal Agent for Bondholders:
- 1.1.1 certifying that certain specified Bonds (the “deposited Bonds”) have been deposited with the Registrar or the Fiscal Agent (or to the order of the Registrar or the Fiscal Agent, as applicable, at a bank or other depository), as applicable, or blocked in an account with a clearing system and will not be released until the earlier of:
 - (i) the conclusion of the Meeting; and
 - (ii) the surrender to the Registrar or the Fiscal Agent, as applicable, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the deposited or blocked Bonds and notification thereof by the Registrar or the Fiscal Agent, as applicable, to the Issuer;
 - 1.1.2 certifying that the depositor of each deposited Bond or a duly authorised person on its behalf has instructed the Registrar or the Fiscal Agent, as applicable that the votes attributable to such deposited Bond are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
 - 1.1.3 listing the total number and (if in definitive form) the certificate numbers of the deposited Bonds, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
 - 1.1.4 authorising a named individual or individuals to vote in respect of the deposited Bonds in accordance with such instructions;
- 1.2 “Chairman”** means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 8 (*Chairman*);
- 1.3 “Extraordinary Resolution”** means a resolution passed at a Meeting duly convened and held in accordance with this Schedule by a majority of not less than three quarters of the votes cast;
- 1.4 “Form of Proxy”** means, in relation to any Meeting, a document in the English language available from the Registrar signed by a Bondholder or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and delivered to the Registrar or the Fiscal Agent, as applicable, not later than 48 hours before the time fixed for such Meeting, appointing a named individual or individuals to vote in respect of the Bonds held by such Bondholder;
- 1.5 “Meeting”** means a meeting of Bondholders (whether originally convened or resumed following an adjournment);
- 1.6 “Proxy”** means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction or a Form of Proxy by a Bondholder, other than:

- 1.6.1 any such person whose appointment has been revoked and in relation to whom the Fiscal Agent, or as the case may be, the Registrar, has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- 1.6.2 any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

1.7 “Relevant Fraction” means:

- 1.7.1 for all business other than voting on an Extraordinary Resolution, one tenth;
- 1.7.2 for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, one more than half; and
- 1.7.3 for voting on any Extraordinary Resolution relating to a Reserved Matter, three quarters;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, the fraction of the aggregate principal amount of the outstanding Bonds represented or held by two or more Voters; and
- (ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one quarter;

1.8 “Reserved Matter” means any proposal:

- 1.8.1 to change the Final Maturity Date or the First Call Date (other than deferring the First Call Date) or any dates for the payment of interest or any other amount in respect of the Bonds;
- 1.8.2 to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 7(b), (c) or (e) (other than removing the right of the Issuer to redeem the Bonds pursuant to Condition 7(b) or (c));
- 1.8.3 to reduce or cancel the principal amount of, or interest on, the Bonds or to reduce the amount payable on redemption of the Bonds;
- 1.8.4 to modify the basis for calculating interest or any other amount payable in respect of the Bonds;
- 1.8.5 to modify the provisions relating to, or cancel, the Conversion Rights, other than a reduction to the Conversion Price or an increase in the number of Ordinary Shares;
- 1.8.6 to increase the Conversion Price;
- 1.8.7 to change the currency of the denomination of the Bonds or of any payment in respect of the Bonds;
- 1.8.8 to change the governing law of the Bonds or the Fiscal Agency Agreement;
- 1.8.9 to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution; or
- 1.8.10 to amend this definition;

- 1.9** “**Voter**” means in relation to any Meeting: the bearer of a Proxy, the holder of a Definitive Global Bond who produces such Definitive Global Bond at the Meeting or, subject to paragraph 5 (*Record Date*) below, a Bondholder, provided however that (subject to paragraph 5 (*Record Date*) below) any Bondholder which has appointed a Proxy under a Block Voting Instruction or Form of Proxy shall not be a "Voter" except to the extent that such appointment has been revoked and the Registrar or the Fiscal Agent, as applicable, notified in writing of such revocation at least 48 hours before the time fixed for such Meeting;
- 1.10** “**Written Resolution**” means a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Bondholders;
- 1.11** “**24 hours**” means a period of 24 hours including all or part of a day upon which banks are open for business in the places where the relevant Meeting is to be held and the place where the Registrar or the Fiscal Agent, as applicable, has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and
- 1.12** “**48 hours**” means two consecutive periods of 24 hours.

2 Issue of Forms of Proxy and Block Voting Instructions

- 2.1** A Bondholder may require the Registrar or the Fiscal Agent, as applicable, to issue a Block Voting Instruction by arranging (to the satisfaction of the Registrar or the Fiscal Agent, as applicable) for such Bond to be blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. A Block Voting Instruction shall be valid until the release of the deposited Bonds to which it relates. So long as a Block Voting Instruction is valid, any Proxy named herein shall be deemed to be the Bondholders of the Bonds to which it relates for all purposes in connection with the Meeting. A Block Voting Instruction cannot be outstanding simultaneously in respect of the same Bond.
- 2.2** The registered Bondholder may require the Registrar or the Fiscal Agent, as applicable, to issue a Block Voting Instruction by arranging (to the satisfaction of the Registrar or the Fiscal Agent, as applicable) for such Bond to be blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. Any registered Bondholder may require the Registrar or the Fiscal Agent, as applicable, to issue a Block Voting Instruction by delivering to the Registrar or the Fiscal Agent, as applicable, written instructions not later than 48 hours before the time fixed for the relevant Meeting. Any registered Bondholder may obtain an uncompleted and unexecuted Form of Proxy from the Registrar or the Fiscal Agent, as applicable.
- 2.3** A Block Voting Instruction shall be valid until the release of the deposited Bonds to which it relates. A Form of Proxy and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Bond.

3 References to Deposit/Release of Bonds

Where Bonds are represented by a Global Bond and/or are held within a clearing system, references to the deposit, or release, of Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

4 Validity of Block Voting Instructions and Forms of Proxy

- 4.1** A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Registrar or the Fiscal Agent, as applicable, or at some other place approved by the Registrar or the Fiscal Agent, as applicable, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business.
- 4.2** A Form of Proxy shall be valid only if it is deposited at the Specified Office of the Registrar or the Fiscal Agent, as applicable, or at some other place approved by the Registrar or the Fiscal Agent, as applicable, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decided otherwise before the Meeting proceeds to business.
- 4.3** If the Fiscal Agent or, as the case may be, the Registrar requires, a notarised copy of each Block Voting Instruction or, as the case may be, Form of Proxy and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Fiscal Agent and, as the case may be, the Registrar shall not be obliged to investigate the validity of any Block Voting Instruction or, as the case may be, Form of Proxy or the authority of any Proxy.

5 Record Date

- 5.1** The Issuer may fix a record date for the purposes of any Meeting of Bondholders or any resumption thereof following its adjournment for want of a quorum provided that such record date is not more than 10 days prior to the time fixed for such Meeting or (as the case may be) its resumption.
- 5.2** The person in whose name a Bond is registered in the Register on the record date at close of business in the city in which the Registrar has its Specified Office shall be deemed to be the Holder of such Bond for the purposes of such Meeting of Bondholders and notwithstanding any subsequent transfer of such Bond or entries in the Register.

6 Convening of Meeting

The Issuer may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Bondholders holding not less than one tenth of the aggregate principal amount of the outstanding Bonds.

7 Notice

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Bondholders and the Registrar or the Fiscal Agent, as applicable (with a copy to the Issuer). The notice shall set out the full text of any resolutions to be proposed and shall state that the Bonds may be deposited with, or to the order of, the Registrar or the Fiscal Agent, as applicable, for the purpose of appointing Proxies not later than 48 hours before the time fixed for the Meeting.

8 Chairman

An individual (who may, but need not, be a Bondholder) nominated in writing by the Issuer may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Issuer may appoint a

Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

9 Quorum

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Bonds; provided, however, that, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Bonds is represented by a Global Bond, a single Proxy representing the Bondholder thereof shall be deemed to be two Voters for the purpose of forming a quorum.

10 Adjournment for Want of Quorum

10.1 If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

10.1.1 in the case of a Meeting requested by Bondholders, it shall be dissolved; and

10.1.2 in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines; provided, however, that:

(i) the Meeting shall be dissolved if the Issuer so decides; and

(ii) no Meeting may be adjourned more than once for want of a quorum.

11 Adjourned Meeting

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

12 Notice Following Adjournment

12.1 Paragraph 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

12.1.1 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

13 Participation

13.1 The following may attend and speak at a Meeting:

13.1.1 Voters;

13.1.2 representatives of the Issuer, the Fiscal Agent and the Registrar;

13.1.3 the financial advisers of the Issuer;

13.1.4 the legal counsel to the Issuer, the Fiscal Agent and the Registrar; and

13.1.5 any other person approved by the Meeting.

14 Show of Hands

14.1 Every question submitted to a Meeting shall be decided in the first instance by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

14.3 Where there is only one Voter, this paragraph 14 shall not apply and the resolution will immediately be decided by means of a poll.

15 Poll

15.1 A demand for a poll shall be valid if it is made by the Chairman, the Issuer or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Bonds.

15.2 The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

16 Votes

16.1 Every Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, the number of votes obtained by dividing the aggregate principal amount of the outstanding Bond(s) represented or held by him by the unit of currency in which the Bonds are denominated.

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

16.3 Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way.

17 Validity of Votes by Proxies

17.1 Any vote by a Proxy in accordance with the relevant Block Voting Instruction or, as the case may be, Form of Proxy shall be valid even if such Block Voting Instruction or, as the case may be, Form of Proxy or any instruction pursuant to which they were respectively given has been amended or revoked, provided that, in the case of a Proxy for a Holder of Registered Bonds, the Registrar has not been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting.

17.2 Unless revoked, any appointment of a Proxy under a Block Voting Instruction or, as the case may be, Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; provided, however, that no such appointment of a Proxy in relation to a Meeting originally convened which has been

adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction or, as the case may be, Form of Proxy to vote at the Meeting when it is resumed.

18 Powers

18.1 A Meeting shall have power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

18.1.1 to approve any Reserved Matter;

18.1.2 to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Bonds;

18.1.3 to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Bonds;

18.1.4 to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Bonds or any act or omission which might otherwise constitute an event of default under the Bonds;

18.1.5 to authorise the Fiscal Agent or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

18.1.6 to give any other authorisation or approval which is required to be given by Extraordinary Resolution; and

18.1.7 to appoint any persons as a committee to represent the interests of the Bondholders and to confer upon such committee any powers which the Bondholders could themselves exercise by Extraordinary Resolution.

19 Extraordinary Resolution Binds All Holders

19.1 An Extraordinary Resolution shall be binding upon all Bondholders whether or not present at such Meeting and each of the Bondholders shall be bound to give effect to it accordingly.

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

20 Minutes

20.1 Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein.

20.2 Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

21 Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Schedule 4

Regulations Concerning the Transfer and Registration of Bonds

- 1 Each Bond shall be in the principal amount of €100,000 (the “**Authorised Denomination**”).
- 2 The Bonds are transferable by execution of the form of transfer endorsed thereon under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing. In this schedule “**transferor**” shall where the context permits or requires include joint transferors and be construed accordingly.
- 3 The Bond to be transferred must be delivered for registration to the specified office of the Registrar accompanied by such other evidence as the Registrar may reasonably require to prove the title of the transferor or his right to transfer the Bond and his identity and, if the form of transfer is executed by some other person on his behalf or in the case of the execution of a form of transfer on behalf of a corporation by its officers, the authority of that person or those persons to do so. The Registrar may seek similar evidence as to title and authority (where necessary) in respect of a Conversion Notice. The signature of the person effecting a transfer of a Bond shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar or the relevant Paying, Transfer and Conversion Agent may require.
- 4 The executors or administrators of a deceased holder of Bonds (not being one of several joint holders) and in the case of the death of one or more of joint holders the survivor or survivors of such joint holders shall be the only persons recognised by the Issuer as having any title to such Bonds.
- 5 Any person becoming entitled to Bonds in consequence of the death or bankruptcy of the holder of such Bonds may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Issuer and the Registrar shall require (including legal opinions), be registered himself as the holder of such Bonds or, subject to the preceding paragraphs as to transfer, may transfer such Bonds. The Issuer and the Registrar may retain any amount payable upon the Bonds to which any person is so entitled until such person shall be so registered or shall duly transfer the Bonds.
- 6 Unless otherwise requested by him and agreed by the Issuer, the holder of Bonds shall be entitled to receive only one Bond in respect of his holding.
- 7 The joint holders of a Bond shall be entitled to one Bond only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint holder whose name appears first in the register of the holders of Bonds in respect of the joint holding.
- 8 Neither the Issuer nor the Registrar shall, save in the case of the issue of replacement Bonds, make any charge to the holders for the registration of any holding of Bonds or any transfer of Bonds or for the issue of any Bonds or for the delivery of Bonds at the specified office of the Registrar or by uninsured post to the address specified by the holder. If any holder entitled to receive a Bond wishes to have it delivered to him otherwise than at the specified office of the Registrar, such delivery shall be made in accordance with the Conditions.

**Schedule 5
Part A
Form of Conversion Notice**

ENCE ENERGÍA Y CELULOSA, S.A.

€160,000,000 1.25 per cent. Convertible Bonds due 2023

Please read the Bonds overleaf before completing this Conversion Notice

Name: Date:.....

Address:

Euroclear/Clearstream, Luxembourg Account No:

Telephone No.:

Fax No.:

Email:

Signature*:

** Where the Bonds in respect of which this Conversion Notice is given are evidenced by a Global Bond, this Conversion Notice need not be signed. In such a case, delivery of the Conversion Notice will constitute confirmation by the beneficial owner of interests in the Bonds to be converted that the information and the representations in the Conversion Notice are true and accurate on the date of delivery.*

To: The Bank of New York Mellon, London Branch (the **"Paying, Transfer and Conversion Agent"**)

Cc: Ence Energía y Celulosa, S.A.(the **"Issuer"**)

Conv-Ex Advisers Limited (the **"Calculation Agent"**)

I/We, being the holder(s) of the Bond(s)/interest in the Global Bond [*please delete as applicable*] specified below, hereby irrevocably elect to convert the principal amount of such Bonds as specified below of which I/we am/are the holders(s) or in which I/we have an interest (as specified below) in accordance with the Conditions of the Bonds (the **"Conditions"**) into Ordinary Shares.

1 Total principal amount and, where applicable, the serial numbers of definitive registered Bonds to which this notice applies:

Bonds:

Global Bond:

Total principal amount (must be a multiple of €100,000):.....

Serial numbers of definitive registered Bonds (if relevant)**:

.....

N.B. If necessary, the serial numbers of definitive registered Bonds can be attached separately.

**Not required for Bonds evidenced by the Global Bond

2 I/We hereby request that the Ordinary Shares to be issued in pursuance of this Conversion Notice be credited to the account of a direct participant of Iberclear details of which are set out below:

Participant ID:

Account ID:

Name:.....

Reference:.....

3 I/We hereby request that any cash payment payable on the exercise of the Conversion Rights shall be paid to the account, details of which are set out below:

Account no.:

Account name:

Bank Name:

Branch:

IBAN:

SWIFT Code:

4 I/We hereby represent and agree that I/we or the person(s) who has/have a beneficial interest in such Bond(s) am/is/are in compliance with all applicable fiscal or other laws and regulations as provided in the Conditions and have/has paid or will pay, to the extent required by the Conditions, all taxes and capital, stamp, issue, registration and transfer taxes and duties arising in connection with the conversion of the Bonds.

5 The relevant definitive registered bond in respect of definitive registered Bonds converted hereby accompanies this Conversion Notice**

Dated: Signature:

PRINT NAME(S)

Notes:

- (1) This Conversion Notice will be void unless the introductory details and all Sections are duly completed complied with.
- (2) Your attention is drawn to Condition 6 of the Bonds with respect to the conditions relating to conversion.
- (3) This Conversion Notice may be completed by or on behalf of an accountholder of Euroclear or Clearstream, Luxembourg or any clearing system in which the relevant Bond is held at such time which has an interest in such Bond.

- (4) The holding of an interest in a Bond by an accountholder of Euroclear or Clearstream, Luxembourg or any clearing system in which the relevant Bond is held in respect of which Conversion Rights are being exercised will be confirmed by the Fiscal Agent with the relevant clearing system.
- (5) In order for the Issuer to be able to deliver Ordinary Shares, the relevant Bondholder must indicate an account with a direct participant in Iberclear and must instruct the relevant participant to accept the Ordinary Shares for the account of the relevant Bondholder.
- (6) Terms used in this Conversion Notice and not otherwise defined have the meanings set forth in the Fiscal, Transfer and Conversion Agency Agreement, dated 5 March 2018, between, among others, the Issuer and The Bank of New York Mellon, London Branch as Fiscal Agent and Paying, Transfer and Conversion Agent.

For the Paying, Transfer and Conversion Agent's and Calculation Agent's use only:

1

- 1.1 Bond conversion identification reference:
- 1.2 Received by (*signature and stamp of receiving Paying, Transfer and Conversion Agent*):
.....
- 1.3 At its office at:.....
- 1.4 Date of delivery of Conversion Notice (and, if applicable, any Definitive Registered Bond) to the Paying, Transfer and Conversion Agent:
- 1.5 Conversion Date:

2

- 2.1 Aggregate principal amount of Bonds the subject of this Conversion Notice:.....
- 2.2 Conversion Price on Conversion Date:
- 2.3 Number of Ordinary Shares to be delivered: (*disregard fractions*)

3

- 3.1 Name(s) and address(es) of the person(s) in whose name(s) the Ordinary Shares are to be registered:
.....
.....
.....
- 3.2 Number of Ordinary Shares to be registered:
- 3.3 Address to which certificates for the Ordinary Shares are to be despatched (in the event that Ordinary Shares are issued by the Issuer in certificated form):
.....
.....
.....
.....
- 3.4 Manner of dispatch:
- 3.5 Cash payments in respect of the exercise of Conversion Rights, pursuant to the Conditions (if any):

N.B. The Paying, Transfer and Conversion Agent must complete items 1, 2 and 3 (save for 2.2, 2.3 and 3.2 which shall be completed by the Calculation Agent).

Schedule 5
Part B
Form of Put Exercise Notice

ENCE ENERGÍA Y CELULOSA, S.A.
€160,000,000 1.25 per cent. Convertible Bonds due 2023

Name: Date:.....

Address:

Euroclear/Clearstream, Luxembourg Account No:

Telephone No.:

Fax No.:

By depositing this duly completed Put Exercise Notice with a Paying, Transfer and Conversion Agent for the Bonds the undersigned holder** [of such of the Bonds as are presented with this Put Exercise Notice and referred to below/of a beneficial interest in such principal amount of the Global Bond as is referred to below] irrevocably exercises its option under Condition 7(e) of the Bonds.

1 This Put Exercise Notice relates to Bonds in the aggregate principal amount of €.....*

2 The identifying certificate numbers of such Bonds are as follows**:

.....
.....
.....
.....
.....
.....

Delivery of this Put Exercise Notice will constitute confirmation by the holder of interests in the Bonds that the information and instructions in this Put Exercise Notice are true and accurate on the date of delivery.

3 Payment Instructions

Please make payment in respect of the above Bonds by transfer to the following account:

Account no.:

Account name:

Bank:

SWIFT Code:

IBAN:

Dated:

Signature***:

PRINT NAME(S)

Date of Delivery of Put Exercise Notice:

[To be completed by recipient Paying Transfer and Conversion Agent]

Received by:

[Signature and stamp of Agent]

At its office at:

On:

Notes:

- (1) The Fiscal Agency Agreement provides that Bonds so returned will be sent by post, uninsured and at the risk of the Bondholder.
- (2) This Put Exercise Notice is not valid unless all of the paragraphs requiring completion are duly completed.
- (3) The Paying, Transfer and Conversion Agent with whom Bonds are deposited will not in any circumstances be liable to the depositing Bondholder or any other person for any loss or damage arising from any act, default or omission of the Paying, Transfer and Conversion Agent in relation to such Bonds or any of them unless the loss or damage was caused by the fraud or negligence of the Paying, Transfer and Conversion Agent or its officers or employees.
- (4) Capitalised terms used but not defined herein have the meaning set forth in the Fiscal, Transfer and Conversion Agency Agreement, dated 5 March 2018 between, among others, the Issuer and The Bank of New York Mellon, London Branch as Fiscal Agent.

* must be an Authorised Denomination.

** not required for Bonds represented by Global Bond.

*** where the Bonds are represented by a Global Bond, this notice need not be signed. In such a case, delivery of this notice will constitute confirmation by the beneficial owner of the relevant Bonds that the information in this notice is true and accurate on the date of delivery.

Schedule 5
Part C
Form of Bondholder's Tax Exercise Notice

ENCE ENERGÍA Y CELULOSA, S.A.
€160,000,000 1.25 per cent. Convertible Bonds due 2023

By depositing this duly completed Bondholder's Tax Exercise Notice with an Agent for the above Bonds (the "**Bonds**") the undersigned holder of such of the Bonds as are presented with this Notice and of a beneficial interest in such principal amount of the Bonds evidenced by the Global Bond as is referred to below irrevocably exercises its option under Condition 7(c) of the Bonds not to have such Bonds redeemed on the Tax Redemption Date under Condition 7(c) of the Bonds.

1 This Bondholder's Tax Exercise Notice relates to Bonds in the aggregate principal amount of €.....*.

2 The identifying serial numbers of such Bonds are as follows:**

.....
.....
.....
.....
.....
.....

If the Bonds referred to above are to be returned to the undersigned under Clause 7.3 of the Paying, Transfer and Conversion Agency Agreement, they should be returned by post to:

.....
.....
.....
.....

Signature of holder***:

[To be completed by Paying, Transfer and Conversion Agent]

Received by:.....

[Signature and stamp of Paying, Transfer and Conversion Agent]

At its office at:

.....
.....

On:.....

Notes

- (1) The Paying, Transfer and Conversion Agency Agreement provides that Bonds so returned will be sent by post, uninsured and at the risk of the Bondholder.
- (2) This Bondholder's Tax Exercise Notice is not valid unless all of the paragraphs requiring completion are duly completed.
- (3) Notwithstanding the deposit of any Bonds with the Fiscal Agent, the Fiscal Agent acts solely as an agent of the Issuer and will not assume any obligation or responsibility towards or relationship of agency or trust for or with any of the owners or holders of the Bonds or any other third party.

*Must be a multiple of €100,000

**Not required if in respect of Bonds evidenced by the Global Bond

***Where the Bonds are represented by a Global Bond, this notice need not be signed. In such a case, delivery of this notice will constitute confirmation by the beneficial owner of the relevant Bonds that the information in this notice is true and accurate on the date of delivery.

Schedule 6
Procedures to be performed by the Issuer and the Paying, Transfer and Conversion Agent in connection with Spanish Law 10/2014, of June 26, as amended, and Royal Decree 1065/2007, of July 27, as amended

These procedures set forth the steps to be followed by Ence Energía y Celulosa, S.A., a *sociedad anónima* incorporated under the laws of the Kingdom of Spain (the “**Issuer**”), and The Bank of New York Mellon, London Branch as paying, transfer and conversion agent (in such capacity, the “**Paying Agent**”) in connection with the Bonds pursuant to Clause 18.9 of the Fiscal Agency Agreement. All terms used in this Schedule 6 which are not otherwise defined herein shall have the meanings assigned to them in the Fiscal Agency Agreement.

In this Schedule, the following terms have the following meanings:

Payment Date means any Interest Payment Date and any other date on which income (i.e. interest) is, in accordance with the Conditions of the Bonds, due and payable (including any income from the earlier redemption date for any Bonds to the extent income is due and payable on such date).

Payment Amount means (i) with respect to an Interest Payment Date, the aggregate amount of interest payable on such date and (ii) with respect to a redemption date, the aggregate amount of the difference, if any, between the aggregate redemption price of the Bonds being redeemed on such date and the aggregate principal amount of such Bonds.

Payment Statement means the statement to be delivered to the Issuer by the Paying Agent, substantially in the form set forth in the Annex to this Schedule 6.

References to the **net amount** shall be to the amount due in respect of interest on any Payment Date after deduction of Spanish withholding tax at the applicable rate (currently 19%), and references to the **withheld amount** shall be to the remaining amount due in respect of interest on any Payment Date.

1. No later than 6:00 p.m. CET on the business day immediately preceding the relevant Payment Date in the place of such payment (“**PD-1**”), the Paying Agent shall deliver an executed Payment Statement to the Issuer, which the Paying Agent shall reasonably believe to be duly completed, substantially in the form set forth in the Annex hereto, setting forth certain details relating to the Bonds, including the relevant Payment Date, the Payment Amount to be paid by the Issuer on such Payment Date, and the portion of the Payment Amount corresponding to each clearing agency located outside Spain (including Euroclear and Clearstream).

The Payment Statement shall be dated as of PD-1, shall set forth information as of the close of business of PD-1 and shall be executed after the close of business of PD-1.

2. The Issuer shall review the Payment Statement submitted by the Paying Agent as soon as practicable. If the Issuer believes that the information contained in the Payment Statement is incomplete or inaccurate or that the Payment Statement is otherwise not in compliance with the applicable regulation, the Issuer will notify the Paying Agent and state the reasons for such belief. Following such notification, the Paying Agent shall deliver to the Issuer a further executed Payment Statement, revised, if necessary, as reasonably determined by the Paying Agent and which the Paying Agent shall reasonably believe to be duly completed, as soon as possible but in any event no later than 9:30 a.m. CET on the relevant Payment Date (the “**First Statement Deadline**”).

3. If the Issuer has not received a duly executed and completed Payment Statement by the First Statement Deadline the Issuer shall no later than 11:00 a.m. (CET) on the relevant Payment Date, instruct the Paying Agent to withhold Spanish income tax on behalf of the Issuer from the relevant Payment Amount at the then applicable rate (currently 19 per cent.). In the absence of such an instruction the Paying Agent shall pay the Payment Amount free and clear of Spanish withholding tax.
4. The Issuer shall review the Payment Statement submitted by the Paying Agent as soon as practicable. If the Issuer believes that the information contained in the Payment Statement is incomplete or inaccurate or that the Payment Statement is otherwise not in compliance with the applicable regulation, the Issuer will notify the Paying Agent and state the reasons for such belief. Following such notification, the Paying Agent shall deliver to the Issuer a further executed Payment Statement, revised, if necessary, as reasonably determined by the Paying Agent and which the Paying Agent shall reasonably believe to be duly completed, as soon as possible but in any event no later than 5:00 p.m. CET on the 10th calendar day of the month immediately following the relevant Payment Date (the “**Second Statement Deadline**”).

If the Paying, Transfer and Conversion Agent fails or for any reason is unable to deliver a duly executed and completed Payment Statement to the Issuer by the Second Statement Deadline, and thus paragraph 4 applies, the Issuer shall make such payments as may be required to the Spanish tax authorities.

Original copies

5. The Paying Agent must deliver an original copy of a duly executed and completed Payment Statement to the Issuer no later than the 15th calendar day of the month immediately following the relevant Payment Date.

Set out below is the Annex provided in Royal Decree 1065/2007. Section in English have been translated from the original Spanish. In the event of any discrepancy, the Spanish version will prevail.

Annex
Form of Payment Statement to be Delivered by the Paying Agent

[English translation provided for informational purposes only]

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Model declaration form referred to in paragraphs 3, 4 and 5 of section 44 of the General Regulations of conduct and procedures relating to tax administration and inspection and the development of general rules of procedures for the enforcement of taxes

Don (nombre), con número de identificación fiscal (1) (...), en nombre y representación de (entidad declarante), con número de identificación fiscal (1) (...) y domicilio en (...) en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number (1) (...), in the name and on behalf of (declaring entity), with tax identification number (1) (...), with domicile in (address) acting in its capacity as (check as appropriate)

(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones

(a) Managing Entity of the Public Debt Book-Entry Market

(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero

(b) Clearing and settlement entity located outside Spain

(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español

(c) Other entities that hold securities on behalf of third parties in clearing and settlement systems domiciled in Spain

(d) Agente de pagos designado por el emisor

(d) Paying Agent appointed by the issuer

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Files the following statement, in accordance with the information set forth in its own registers:

1. En relación con los apartados 3 y 4 del artículo 44:

1. Regarding sections 3 and 4 of section 44:
 - 1.1 Identificación de los valores**
 - 1.1. Identification of the securities
 - 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
 - 1.2. Date on which payment will be made (or reimbursement date in case of securities issued at a discount or segregated securities)
 - 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**
 - 1.3 Total amount of payment (or total amount to be reimbursed, in any event, in case of securities issued at a discount or segregated securities)
 - 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora**
 - 1.4. Amount of payment corresponding to Spanish Individual Income Tax taxpayers, except with respect to segregated coupons and segregated principal the payment of which is handled by a Managing Entity
 - 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados)**
 - 1.5. Amount of payment that, pursuant to section 2 of section 44, must be paid in full (or the total amount to be reimbursed in the case of securities issued at a discount or segregated securities)
2. **En relación con el apartado 5 del artículo 44:**
 2. Regarding section 5 of section 44:
 - 2.1 Identificación de los valores**
 - 2.1. Identification of the securities
 - 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**

2.2. Date on which payment will be made (or reimbursement date in case of securities issued at a discount or segregated securities)

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)

2.3 Total amount of payment (or total amount to be reimbursed, in any event, in case of securities issued at a discount or segregated securities)

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A

2.4. Amount of payment corresponding to clearing and settlement entity "A" located outside Spain

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B

2.5. Amount of payment corresponding to clearing and settlement entity "B" located outside Spain

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C

2.6. Amount of payment corresponding to clearing and settlement entity "C" located outside Spain

Lo que declaro ena dede

I declare the above in [location] on the [day] of [month] of [year].

(1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.

(1) In case of individuals or corporations that are not resident in Spain and do not act through a permanent establishment in Spain, please include the identification number or code that corresponds in accordance with the laws of their country of residence.