

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

RELEVANT EVENT

The Board of Directors of the Company, in today’s session, has decided to call the Ordinary Annual Shareholders’ Meeting of the Company, which will be held in Auditorio Rafael del Pino, Rafael Calvo Street, 39-A, 28010, Madrid, on 22 March 2018, at 12:30 pm, at first call, or on 23 March 2018, at the same place and time, at second call.

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

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

Madrid, 20 February 2018

ENCE ENERGÍA Y CELULOSA, S.A.

CALL FOR THE ANNUAL ORDINARY GENERAL SHAREHOLDERS' MEETING

The Board of Directors of ENCE ENERGÍA Y CELULOSA, S.A. hereby notifies all shareholders of the annual General Shareholders' Meeting to be held at the Auditorio Rafael del Pino on Calle de Rafael Calvo, 39-A, 28010 Madrid (Spain). The first call to meeting takes place at 12:30 pm on 22 March 2018. Where necessary, a second call to hold the meeting will take place on the following day, 23 March 2018, at the same time and place. The agenda for the meeting is below.

AGENDA

- First.** The examination and approval, if appropriate, of the financial statements and management report for ENCE ENERGÍA Y CELULOSA, S.A. and its consolidated group for the financial year ended 31 December 2017.
- Second.** The examination and approval, if appropriate, of the proposal on how to apply the profits of ENCE ENERGÍA Y CELULOSA, S.A. from the year ended 31 December 2017.
- Third.** The examination and approval, if appropriate, of the management performed by the Board of Directors of ENCE ENERGÍA Y CELULOSA, S.A. for the year ended 31 December 2017.
- Fourth.** The re-election, confirmation and appointment of members to the Board of Directors:
- Fourth A:** Re-election of Mr. Juan Luis Arregui Ciarsolo as Proprietary Director.
- Fourth B:** Re-election of Mr. Javier Echenique Landiribar as External Director.
- Fourth C:** Re-election of Mr. José Carlos del Álamo Jiménez as Independent Director.
- Fourth D:** Re-election of Retos Operativos XXI, S.L. as Proprietary Director with the acknowledgement that Mr. Óscar Arregui Abendivar as the natural person representing Retos Operativos XXI, S.L. in holding the office of Director.
- Fourth E:** The ratification of the appointment of Turina 2000, S.L. as Proprietary Director, appointed by co-option by the Board of Directors on 20 December 2017, and recording of the appointment of Mr. Javier Arregui Abendivar as the natural person representing Turina 2000, S.L. in holding the office of Director.
- Fourth F:** Appointment of La Fuente Salada, S.L. as Proprietary Director with the acknowledgement that Mr. Ignacio Comenge Sánchez-Real as the

natural person representing La Fuente Salada, S.L. in holding the office of Director.

Fourth G: Appointment of Mrs. Rosa María García Piñeiro as Independent Director.

- Fifth.** Re-election of the auditors of the Company and its consolidated group.
- Sixth.** Approval of the remuneration policy for Directors for the years 2018 to 2020.
- Seventh.** Delegation of the powers to interpret, supplement, rectify, execute and formalise the resolutions adopted by the General Shareholders' Meeting.
- Eighth.** Consultative vote on the Annual Report on the Remuneration of Directors for 2017.

SUPPLEMENT TO THE NOTICE AND THE SUBMISSION OF RESOLUTION PROPOSALS

Shareholders representing at least three percent of the total share capital may request the publication of a supplement to this notice, which includes one or more items for the agenda (as long as any new items are justified or, if applicable, contain a resolution proposal). They may also submit reasonable resolution proposals for items already included in the agenda or which should be included. The exercise of these rights must be made through a certified notification that should be received at the company's registered office (Calle de Beatriz de Bobadilla no. 14, Planta 4ª, 28040 Madrid, Spain) within five days following publication of this notice. The notification must include the identity of the shareholders exercising their rights and the number of shares held, as well as the items to be included in the agenda or the content of the resolution proposals, supported by any relevant documentation.

The supplement to this notice will be published at least fifteen days prior to the scheduled date for holding the General Meeting.

The foregoing is without prejudice to the right of any shareholder to make proposals during the General Shareholders' Meeting on items that are not required to be included in the agenda as per the Capital Companies Act.

RIGHT TO INFORMATION

Once this notice is published, shareholders have the right to examine and obtain the below documents from the Investor Relations Department at the Company's registered office at Calle de Beatriz de Bobadilla no. 14, Planta 4ª, 28040 Madrid, Spain. They may also consult such documents on the Company's website (www.ence.es), or request them via post at the above-mentioned address from the Company, which will immediately send the documents free of charge. The documents are as follows:

1. This notice of the Annual General Meeting.
2. The full text of the proposed resolutions to be submitted to the General Shareholders' Meeting.
3. The full text of the 2017 financial statements and management report for the Company and its consolidated group, along with the auditor's reports.
4. With regard to the proposed re-election and confirmation of Directors:
 - (i) report by the Board of Directors on the Directors proposed for re-election, nomination and confirmation, which includes their identity, curriculum vitae and categorisation; and
 - (ii) report by the Nominating and Compensation Committee on the proposed re-election, nomination and confirmation.
5. The Annual Corporate Governance Report for 2017.
6. The Annual Report on the Remuneration of Directors for 2017.
7. The report by the Audit Committee on the independence of the auditor.
8. The report on the operations of the Audit Committee.
9. The annual report on corporate social responsibility.

10. The report by the Nominating and Compensation Committee on the Director remuneration policy.
11. The remuneration policy of the directors for the years 2018 to 2020.
12. Examples of attendance, proxy and absentee voting cards.

From the date of this notice, the total number of shares and voting rights existing at the time of this notice will be published on the Company's website (www.ence.es). Where applicable, any resolution proposals received from shareholders in accordance with the law will also be published.

For the purposes of exercising the right to information prior to the General Shareholders' Meeting under the terms of Articles 197 and 520 of the Capital Companies Act, and in accordance with Article 34 of the Articles of Association and Article 8 of the General Shareholders' Meeting Regulation, shareholders may, until five days prior to the holding of the General Shareholders' Meeting, exercise their right to information on the items contained in the agenda, request information and clarifications or pose questions, in writing, in relation to any public information supplied by the Company to the National Securities Market Commission since the previous General Shareholders' Meeting, as well as with regard to the auditor's report. Requests for information may be made by delivering a written request to the Company's registered office (Calle de Beatriz de Bobadilla no. 14, Planta 4ª, 28040 Madrid, Spain) or by posting the request to that address. The request must be accompanied by the shareholder's proof of identity and proof of shareholding. The shareholder must retain proof that the request was made in the proper form and within the deadline. The Company's website contains further information on how shareholders can exercise their right to information as stipulated under law.

For any clarification on the delivery of documents and any other particulars relating to this notice, shareholders should contact the Investor Relations Department at the above-mentioned address or telephone the shareholder information line at +34 9131 28638 between 9 am and 1 pm, Monday to Friday.

RIGHT TO ATTEND

In accordance with Article 30 of the Articles of Association and Article 11 of the General Shareholders' Meeting Regulation, all company shareholders whose shares are registered under their name in the relevant accounting records five days prior to the General Shareholders' Meeting may attend the General Shareholders' Meeting. To exercise the right to attend, shareholders should obtain an attendance card at least two days prior to the meeting's date, which is issued by the participating entities of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (depository institutions). As an alternative, shareholders may attend using the ready-to-print attendance card found on the Company's website. Depository institutions must send a list of attendance cards issued at the request of their clients to the Legal Department of ENCE ENERGÍA Y CELULOSA, S.A. (Calle de Beatriz de Bobadilla no. 14, Planta 4ª, 28040 Madrid, Spain).

Within the above-mentioned time frame, shareholders may also obtain the attendance card at the Company's registered office (Calle de Beatriz de Bobadilla nº 14, Planta 4ª, 28040 Madrid, Spain) by producing a certificate issued by a depository institution proving the registration of his/her shares in the corresponding book entry records. The attendance card provided by the Company includes the possibility of delegating the shareholder's rights as stated below.

The board of directors has approved the content of the attendance card that is made available to the shareholders with the call of the meeting, which includes the rules regarding personal assistance rights, delegation of votes and distance votes.

Registration of attendance cards and voting cards will start at 11:30 am and credentials will be accepted until 12:30 pm (the scheduled start of the meeting). To facilitate registration and organisation of the meeting, shareholders are requested to arrive as early as possible.

RIGHT TO A PROXY

Under Article 31 of the Articles of Association and Article 10 of the General Shareholders' Meeting Regulation, any shareholder unable to attend the meeting may be represented by any other person, even if the latter is not a shareholder.

Without prejudice to the provisions of the Corporate Enterprises Act in relation to representation by a family member, and the granting of general power of attorney, such a proxy must be nominated in writing and specifically for this meeting. The attendance and proxy card provided by the depository institution or the Company, which can be found on the Company's website in a ready-to-print form, must be duly completed and signed by the shareholder.

Proxies may also be nominated or notified to the Company by post. The attendance and proxy card provided by the depository institution or the Company must be duly completed and signed by the shareholder, and sent to the Company's registered office (Calle de Beatriz de Bobadilla no. 14, Planta 4ª, 28040 Madrid). Any proxy nominated or notified by this method should be received by the Company at least twenty-four hours before the day immediately preceding the scheduled first call to meeting. Otherwise, the proxy will be deemed invalid and without effect. Any person with delegated voting rights may only exercise them if they physically attend the General Shareholders' Meeting. If the proxy has not been given voting instructions in relation to items not included on the agenda, the proxy may vote in whatever way he/she deems aligned with the interests of the represented party. A proxy can be revoked

at any time. The attendance of the represented party, whether in person or by absentee voting, will be considered revocation of any delegated powers regardless of when they were granted.

VOTING BY REMOTE MEANS

Under Article 36 of the Articles of Association and Article 25 of the General Shareholders' Meeting Regulation, shareholders with a right to attend the General Shareholders' Meeting may issue an absentee vote on the proposals in relation to the items on the agenda by sending a duly completed and signed attendance and voting card which has been provided by the depositary institution to the Company's registered office (Calle de Beatriz de Bobadilla no. 14, Planta 4ª, 28040 Madrid).

If the cards issued by the depositary institutions do not include the possibility of issuing an absentee vote, shareholders with a right to attend the meeting and wishing to issue such a vote by post can obtain the relevant card from the Company's registered office (Calle de Beatriz de Bobadilla no. 14, Planta 4ª, 28040 Madrid), or find a ready-to-print card on the Company's website. Such a card must be duly completed and signed and sent to the Company at its registered office, along with the attendance card provided by the depositary institution or Company under the terms stated above.

An absentee vote sent by post should be received by the Company at least twenty-four hours before the day immediately preceding the scheduled first call to meeting. Otherwise the vote will not be valid and will be deemed as not having been cast.

Shareholders with a right to attend who issue a vote under the terms stated above will be considered present for the purposes of quorum and, as a result, any delegated powers granted beforehand will be deemed revoked and any granted afterwards will be invalid. A postal vote may be cancelled by: (i) its subsequent express revocation using the same method and abiding by the same deadline for the original vote, (ii) by the physical attendance at the meeting of the shareholder who issued it, or (iii) by the conveyance of the shares through which the shareholder held the right to vote, as long as the Company has been informed of this beforehand.

SHAREHOLDERS' ONLINE FORUM

In accordance with Article 539 (2) of the Capital Companies Act, the Company will provide an online forum on its website from the date this notice is published. Shareholders and duly formed voluntary associations registered in the specific registry of the National Securities Market Commission may access this forum.

The forum will allow the publication of possible proposals to be added to the announced agenda, petitions in support of such proposals, initiatives to gain the percentage of shareholding required to exercise minority rights as stated in law, and offers or requests to act as a voluntary proxy.

The forum in no way acts as a means of communication between the Company and its shareholders. It is only for the purpose of facilitating communication between the shareholders of ENCE ENERGÍA Y CELULOSA, S.A. during the time leading up to the General Shareholders' Meeting.

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

ATTENDANCE OF A NOTARY

The Board of Directors has agreed to the attendance of a notary for the purposes of executing a public document with the minutes of the meeting, in accordance with Article 203 of the Capital Companies Act.

PERSONAL DATA PROTECTION

Any personal data provided by the shareholder to the Company in the exercise or delegation of his/her rights of access to the online forum, attendance and vote at the General Shareholders' Meeting, or provided for these purposes by banks, companies and security brokers acting as depositaries or custodians of shares, will be processed by the Company in order to manage the development, compliance and supervision of the shareholding relationship in relation to the notice and holding of the General Shareholders' Meeting. Such data will be included in files held under the responsibility of **ENCE ENERGÍA Y CELULOSA, S.A.**

In any case and when legally appropriate, the owner of the data will have the right to access, rectify, object or delete the information collected by **ENCE ENERGÍA Y CELULOSA, S.A.** Said rights may be exercised by writing to the Investor Relations Department of **ENCE ENERGÍA Y CELULOSA, S.A** at Calle de Beatriz de Bobadilla no. 14, Planta 4ª, 28040 Madrid, with an attached copy of their proof of identity (DNI or passport). If the attendance, delegation and voting card includes personal data relating to natural persons other than the owner, the shareholder must inform such person of the information contained in the preceding paragraphs and comply with any other applicable requirements for the proper transfer of personal data to the Company, without any further action required on the part of the Company.

ADDITIONAL INFORMATION

HOLDING OF THE MEETING ON FIRST CALL

Shareholders are hereby informed that, unless otherwise published in the daily press, the first call to the meeting will be held on 22 March 2018 at 12:30 pm in the location mentioned above.

During the hour preceding the start of the meeting at the mentioned place, shareholders or their valid representatives can show their attendance and proxy cards to staff in charge of registration, along with their proof of identity (DNI or passport) and, where appropriate, proof of delegated powers.

Madrid, 20 February 2018
Secretary of the Board of Directors
José Antonio Escalona de Molina

FULL TEXT OF THE MOTIONS SUBMITTED BY THE BOARD OF DIRECTORS OF ENCE ENERGÍA Y CELULOSA, S.A. TO THE GENERAL SHAREHOLDERS' MEETING SCHEDULED FOR 22 MARCH 2018 ON FIRST CALL, AND 23 MARCH 2018 ON SECOND CALL

First. The examination and approval, if appropriate, of the financial statements and management report for ENCE ENERGÍA Y CELULOSA, S.A. and its consolidated group for the financial year ended 31 December 2017.

Proposal:

Approve the individual and consolidated annual accounts of ENCE ENERGÍA Y CELULOSA, S.A. and its subsidiaries and the respective management reports for the fiscal year ending on December 31, 2017, as prepared by the Board of Directors of the Company in its meeting on February 20, 2018.

Second. The examination and approval, if appropriate, of the proposal on how to apply the profits of ENCE ENERGÍA Y CELULOSA, S.A. from the year ended 31 December 2017.

Proposal:

Approve the application of the profits for the fiscal year ending 31 December 2017, for the amount of €69,813,465, as follows:

Application base:

Profits from the fiscal year: € 69,813,465

Application:

To unrestricted reserves: €2,694,656.91

To dividend payout:

- Interim dividend (paid in August 2017) €14,935,028.60

- Interim dividend (paid in December 2017) €14,687,857.26

- Supplementary dividend: A complementary dividend at a rate of 0.066 euros gross per share of ENCE ENERGÍA Y CELULOSA, S.A. with the right to receive it and which is in circulation on the date on which the corresponding payment is made (maximum total amount: € 16,253,985).

The supplementary dividend will be paid in cash on 12 April 2018. Parties appearing as shareholders of ENCE ENERGÍA Y CELULOSA, S.A. at the close of trading on 9 April 2018 in the accounting records of the member companies of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR) will be eligible to receive the dividend. Any legally required withholdings will be applied to the gross amounts.

Offsetting accumulated losses: €21,241,937.23

Third. The examination and approval, if appropriate, of the management performed by the Board of Directors of ENCE ENERGÍA Y CELULOSA, S.A. for the year ended 31 December 2017.

Proposal:

Approve the corporate management and the action taken by the Board of Directors of the Company during the fiscal year ending December 31, 2017.

Fourth. Re-election, confirmation and appointment of members to the Board of Directors:

Fourth A: Re-election of Mr. Juan Luis Arregui Ciarsolo as Proprietary Director.

Proposal:

To re-elect, at the behest of the Board of Directors, as a member of the Company's Board of Directors, Mr. Juan Luis Arregui Ciarsolo, in the capacity of Proprietary Director for the statutory period of three years from the approval of this resolution.

Fourth B: Re-election of Mr. Javier Echenique Landiribar as an External Director.

Proposal:

To re-elect, at the behest of the Board of Directors, as a member of the Company's Board of Directors, Mr. Javier Echenique Landiribar, in the capacity of External Director for the statutory period of three years from the approval of this resolution.

Fourth C: Re-election of Mr. José Carlos del Álamo Jiménez as an Independent Director.

Proposal:

To re-elect, at the behest of the Nomination and Remuneration Committee, as a member of the Company's Board of Directors, Mr. José Carlos del Álamo Jiménez, in the capacity of Independent Director for the statutory period of three years from the approval of this resolution.

Fourth D: Re-election of Retos Operativos XXI, S.L. as Proprietary Director with the acknowledgement that Mr. Óscar Arregui Abendivar acts as its natural person in the exercise of its Directorship.

Proposal:

To re-elect, at the behest of the Board of Directors, as a member of the Company's Board of Directors, Retos Operativos XXI, S.L., in the capacity of Proprietary Director for the statutory period of three years from the approval of this resolution, and to record the re-appointment of Mr. Óscar Arregui Abendivar as natural person of said Director.

Fourth E: The ratification of the appointment of Turina 2000, S.L. as Proprietary Director, appointed by co-option by the Board of Directors on 20 December 2017, and recording of the appointment of Mr. Javier Arregui Abendivar as the natural person representing Turina 2000, S.L. in holding the office of Director.

Proposal:

To ratify, at the behest of the Board of Directors, the nomination of Turina 2000, S.L., appointed as Proprietary Director by co-option in the meeting of the Board of Directors of 20 December 2017, and to nominate it as proprietary shareholder for

the statutory period of three years from the approval of this resolution. Furthermore, to record the appointment of Mr. Javier Arregui Abendivar as the natural person representing that Director.

Fourth F: Appointment of La Fuente Salada, S.L. as Proprietary Director with the acknowledgement that Mr Ignacio Comenge Sánchez-Real as the natural person representing La Fuente Salada, S.L. in holding the office of Director.

Proposal:

To nominate, at the behest of the Board of Directors, as a member of the Company's Board of Directors, La Fuente Salada, S.L., in the capacity of Proprietary Director for the statutory period of three years from the approval of this resolution, and to record the re-appointment of Mr. Ignacio Comenge Sánchez-Real as the natural person representing that Director.

Fourth G: The appointment of Mrs. Rosa María García Piñeiro as an Independent Director.

To nominate, at the behest of the Nomination and Remuneration Committee, as a member of the Company's Board of Directors, Mrs. Rosa M. García Piñeiro, in the capacity of Independent Director for the statutory period of three years from the approval of this resolution.

The effectiveness of this appointment is subject to the fact that before April 30, 2018, Mrs. García Piñeiro obtains from Alcoa Corp. the mandatory internal authorization to be appointed as a director of the Company. Said authorization must be communicated in writing to the board of directors, which will verify compliance with the condition by means of the corresponding agreement in which it declares it.

In the event that the aforementioned authorization is not obtained before the indicated period, the resulting vacancy could be covered by co-optation after the holding of the meeting or a nomination of a new candidate would be proposed to a subsequent general meeting of shareholders.

As a result of the appointments and re-elections foreseen in this agreement, the number of directors is fixed at fourteen members.

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

Proposal:

Re-election of PricewaterhouseCoopers Auditores, SL, with its registered office in Madrid, Paseo de la Castellana 259B, Torre PwC, with Tax ID B-79031290 as auditors of the Company and its Consolidated Group for 1 year.

The Board of Directors of the Company is empowered, with the power to delegate to the Executive Committee or the Managing Director, to enter into a contract for the hire of services from PricewaterhouseCoopers Auditores, S.L. for the period stated and under the conditions and clauses that the case may require.

Sixth. Approval of the remuneration policy for Directors for the years 2018 to 2020.

Proposal:

Approve, in accordance with the provisions of article 529r of the Capital Companies Act, the Remuneration Policy for the Directors of the Company for fiscal years 2018, 2019 and 2020, the text of which has been made available to the shareholders from the convocation date of this General Shareholders' Meeting.

Said Remuneration Policy establishes the maximum amount of the annual remuneration to be paid to all the directors in their capacity as such, in accordance with the provisions of Article 529 of the Capital Companies Act.

Seventh. Delegation of the powers to interpret, supplement, rectify, execute and formalise the resolutions adopted by the General Shareholders' Meeting.

Proposal:

Without prejudice to the delegations included in previous agreements, it is agreed:

A) To expressly delegate to the Board of Directors, with all the necessary legal powers, to:

1.- Interpret, clarify, specify, complete or correct the resolutions adopted by this general shareholders' meeting, or those set out in any texts or documents issued in execution thereof, and in particular, any omissions, defects or errors of substance or form that might prevent the registration of these agreements and their consequences in the trade and Commercial Registry.

2.- Resolve any doubts that may arise in relation to the resolutions adopted by this general shareholders' meeting.

3.- Carry out any legal acts or deals that are necessary or convenient for the execution of the resolutions adopted by this general shareholders' meeting, granting as many public or private documents deemed necessary or convenient for these agreements.

4.- Delegate to one or several of its members, jointly or severally, or in the Executive Committee, with powers of substitution, all or part of the powers it deems appropriate from those that correspond to the Board of Directors and assigned to it by this general shareholders' meeting.

B) Expressly empower, and as broadly as required by law, the Chairman of the Board of Directors, the Managing Director and the secretary of the Board of Directors, so that any of them may, interchangeably and with their sole signature, and with respect to the resolutions adopted in this general shareholders' meeting, record such agreements in a public deed, particularly empowering them in all matters necessary for their development and compliance; to sign any public or private documents required and to perform as many actions necessary for proper implementation, including the publication of legal notices, before any public or private bodies or agencies, until they are registered in the trade and Commercial Registry or other public records where applicable, with the power even to grant deeds of ratification, rectification, correction and clarification, in view of the verbal suggestions or the written qualification of the trade and Commercial Registry - even being able to request the partial registration of the registrable agreements -, of the National Securities Market Commission and any other

competent public or private body; to carry out as many formalities as possible before the competent bodies in order to execute and carry out the approved agreements and to process files and documentation of any kind that may be necessary before the National Stock Market Commission and other public or private bodies when necessary, and in general for all actions related to the resolutions adopted in this General Shareholders' Meeting.

Eighth. Advisory vote on the Annual Report on the Remuneration of Directors for 2017.

To approve the annual remuneration report for 2017, approved by the Board of Directors, which has been made available to the shareholder together with the other documentation on the General Shareholders' Meeting from the date of its convocation, which is subject to an advisory vote.