

## **Ercros proposes to the board a stable policy of shareholder remuneration**

The board of directors of Ercros, in addition to a shareholder remuneration charged to the 2016 financial year, will propose to the ordinary general shareholders' meeting the ratification of the Remuneration policy for shareholders against the profits of the next four years (2017-2020).

**The remuneration charged to the benefits of 2016** is equivalent to a total pay-out of 30 %. A 10 % of which corresponds to a dividend of 4 euro cents per share and the remaining 20 % to the repurchase of treasury shares to its amortizations. To this end, the agenda of the meeting also includes a capital reduction of 932,058 euros, through the repayment of 3.12 million shares owned by the Company in treasury shares, equivalent to 2.7 % of the share capital, which were acquired in accordance with the provisions of the repurchase program carried out between January and March 2017.

**The shareholder remuneration policy (2017-2020)**, whose ratification is also on the agenda of the meeting, contemplates a total pay-out that will evolve incrementally to a maximum of: 35 % of the 2017 profit; 40 % of the 2018 profit; 45 % of the 2019 profit; and 50 % of the 2020 profit.

In order to make this pay-out compatible with the maintenance of the Company's solvency, the remuneration is conditioned to obtaining earnings per share amounting no less than EUR 0.10/share (EUR 0.40/share in 2016); and maintenance of two solvency and leverage references: that net financial debt/ ordinary ebitda equals to or less than 2 (1.1 in 2016); and that net financial debt/equity equals to or less than 0.5 (0.3 in 2016).

As in the remuneration charged to 2016, the policy contemplates two ways of remunerating the shareholder: the repurchase of own shares for its amortization and the payment of a dividend. The repurchase of own shares is the preferred remuneration option, provided that the distribution of a dividend at least of 12 % of the 2017 profit; 14 % of the 2018 profit; 16 % of the 2019 profit; and 18 % of the 2020 profit is approved.

Finally, the board includes the usual points in this type of meetings, in addition to the ratification of Mrs Carme Moragues Josa as independent director, appointed by co-optation by the council on March 21, to replace the director Jordi Dagà Sancho deceased at the end of 2016.

The meeting is scheduled to be held in Barcelona on June 22 on first call, and, if the quorum is not met, on June 23 on second call.

Barcelona, May 19, 2017