

General meetings attendance premium policy

The board of directors of Ercros, at its meeting held on September 29, 2016, has approved unanimously to implement a stable policy of paying an attendance premium to those shareholders attending the general shareholders' meetings to be held by the Company, whether ordinary or extraordinary, for the next three years.

When approving this policy, the board of directors has taken into consideration: (a) the desire to encourage the participation of the shareholders in the general meetings reducing shareholders' absenteeism, in order to maximize the representativeness of these general meetings; and (b) the willingness of the board of directors to comply with the 11th recommendation of the corporate governance code approved by the Spanish National Securities Market commission (CNMV) on February 18, 2015, as a measure to promote transparency and information to shareholders.

The attendance premium for Ercros shareholders' meetings shall consist of a cash amount which, in no case, may exceed two percent of the nominal value of the Company's shares, in order to avoid the payment of such premium posing a risk to the Company's financial stability. The exact gross amount shall be determined by the board of directors on the occasion of each general shareholders meeting and shall be specified in the meeting notice. In any case, when setting the amount of the attendance premium, the rules safeguarding the integrity of Ercros share capital, as established in the Spanish capital enterprises act, shall be taken into account so that the payment of the premium is always compatible with these requirements.

All shareholders who meet the following three conditions shall be entitled to receive the attendance bonus: (a) they are entitled to attend the corresponding general shareholders' meeting; (b) they hold or group together more than ten Company shares; and (c) they are duly present or represented at the meeting. On an exceptional basis, the board of directors, or the persons authorised by it, may decide to pay the attendance premium to shareholders who, for reasons beyond their control, were unable to be included on the attendance list of the meeting.

The general principle of paying an attendance premium may be suspended if, in the opinion of the board of directors, the corporate interest so advises, or exceptional circumstances arise. In such a case, the board of directors shall explain the reasons for its decision at the corresponding general shareholders' meeting.

Any modification or elimination of this policy of regular payment of an attendance premium for Ercros shareholders' meetings shall require the approval of the board of directors, and the decision, with the corresponding justification, shall be communicated at the next general meeting held.

Antonio Zabalza Martí
President and CEO of Ercros

Barcelona, September 29, 2016