

**RELEVANT EVENT**  
**CARBURES EUROPE, S.A.**  
**22 December 2015**

Pursuant to the provisions of Circular 9/2010 of the Spanish Alternative Stock Market (the “**Market**”), and for its knowledge, Carbures Europe, S.A. (hereinafter “**Carbures**” or the “**Company**”) is hereby communicating the following information to the Market as a Relevant Event:

Carbures and LAS Holdings S.à.r.l, (hereinafter “**LAS**”), a company that pertains to the Wilbur Ross Group (WL Ross and Co LLC), have signed a **collaboration and strategic consulting agreement** for the automotive sector. As compensation for said services, said company receives the right to subscribe Series A Warrants and, where applicable, convert them into Company shares, all under the terms outlined in the attached documentation.

In view of the foregoing, the Board of Directors of Carbures has called an Extraordinary General Meeting of Company Shareholders, to be held in the Assembly Hall of CEEI Bahía de Cádiz, calle Manantial, núm. 13 Edificio CEEI Polígono Industrial “Las Salinas de San José Bajo”, El Puerto de Santa María, Cádiz on 25 January 2016 at 10.00 a.m., as a first session, or the following day on 26 January 2016 at the same time and place, as a second session.

In addition, the Agenda provides for the election of three directors.

Attached hereto is the following documentation relating to said General Meeting.

1. The text of said call for a General Meeting, including the Agenda thereof.
2. The full text of the proposed resolutions prepared by the Board of Directors in relation to the different items on the Agenda.
3. The directors' report in relation to point One of the Agenda (Issuance of Series A Warrants and capital increase); and
4. The report prepared by an independent expert designated by the Trade Register in relation to point One of the Agenda (Issuance of Series A Warrants and capital increase).

Said documents are also being published today pursuant to the legal and statutory terms established.

In El Puerto de Santa María, 22 December 2015.

CARBURES EUROPE, S.A.  
Guillermo Medina Ors  
Secretary of the Board of Directors

## **CARBURES EUROPE, S.A.**

### **CALL NOTICE FOR AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

---

The Board of Directors of CARBURES EUROPE, S.A., is calling its shareholders to an Extraordinary General Meeting to be held in the Assembly Hall of CEEI Bahía de Cádiz, Calle Manantial, nº 13, Edificio CEEI, Polígono Industrial Las Salinas de San José Bajo, El Puerto de Santa María (Cádiz), on 25 January 2016, at 10.00 a.m. for a first session or the next day, 26 January 2016, in the same place and at the same time for a second session in order to discuss the following

#### **AGENDA**

**One.-** The issuance of Series A Warrants in favour of the entity LAS Holdings S.à.r.L. which include the right to subscribe ordinary shares newly issued by Carbures Europe, S.A. by means of effective exercise, excluding the right of preferential subscription of current Company shareholders and delegating the execution and establishment of the rules thereof not established by the General Meeting of Shareholders to the Board of Directors in addition to the approval of an increase in the Company's capital by the amount necessary to provide for the exercise of the rights included in the Series A Warrants through a monetary increase and delegating the power to execute the capital increase agreed in one or several instalments as per the exercise of the rights thereto to the Board of Directors.

**Two.** Appointment of members of the Board of Directors.

**Two A:** The appointment of Mr Roberto Rey Perales as an executive director.

**Two B:** The appointment of Mr Roberto Ramón González de Betolaza García as a Proprietary Director.

**Two C:** The appointment of Mr Ignacio Torres Prada as an independent director.

#### **ADDITION TO THE CALL**

Pursuant to the provisions of article 172 of Spanish Royal Legislative Decree 1/2010, of 2 July, which approves the Modified Text of the Spanish Corporate Enterprises Act (the "Spanish Corporate Enterprises Act"), the Company Articles of Association and in the Regulations governing the Company's General Meetings of Shareholders, shareholders representing at least five percent of the share capital may request that an addition to this call be published including one more more items on the agenda. This right must be exercised by means of some form of reliable notification which must be received at the company's registered address within five days following the publication of this call. The addition to the call must be published a minimum of fifteen days in advance of the date established for the General Meeting of Shareholders.

## **RIGHT OF INFORMATION**

Pursuant to the provisions of article 197 of the Spanish Corporate Enterprises Act, the Company's Articles of Association and the Regulations governing the Company's General Meetings of Shareholders, it is hereby stated that all shareholders may request any information or clarifications they deem appropriate regarding the matters included on the agenda from the directors or formulate in writing any questions they deem pertinent as of the date of publication of this call until the seventh day prior to the planned General Meeting. The foregoing is understood without prejudice to the shareholders' right during a General Meeting to verbally request any information or clarifications deemed appropriate regarding the matters included on the agenda.

As of the publication of this call, shareholders have the right to examine the following documents at the registered address, Bay of Cadiz Technology Park, Carretera de Sanlúcar de Barrameda, Km. 5,5, Calle Ingeniería s/n, Parcela 4, El Puerto de Santa María (Cádiz), or request the Company deliver or send them the same documents free of cost by writing to the aforementioned postal address. The documents are also available to shareholders at the Company's website ([www.carbures.com](http://www.carbures.com)):

1. This call announcement.
2. The full text of the proposed resolutions to be submitted for voting at the General Meeting of Shareholders.
3. Directors' report in relation to point One of the agenda (Issuance of Series A *Warrants* and capital increase).
4. A report prepared by an independent expert designated by the Trade Register in relation to point One of the agenda (Issuance of Series A *Warrants* and capital increase).

## **RIGHTS OF ATTENDANCE AND REPRESENTATION**

Pursuant to the provisions of the Company's Articles of Association and the Regulations governing the Company's General Meetings of Shareholders, the shareholders have the right to attend General Meetings irrespective of the number of shares they hold as long as they are in possession of the corresponding attendance card or certificate issued by the entity responsible for registering the account entries which in each case correspond or the document which, pursuant to the law, prove the shareholder's status.

Shareholders may personally attend or be represented at General Meetings by any other person, shareholders or not. Representation must be granted in writing and in a special power of attorney for the General Meeting called, all pursuant to the provision of the Spanish Corporate Enterprises Act, the Company's Articles of Association and the Regulations governing the Company's General Meetings of Shareholders.

### **PRESENCE OF A NOTARY AT GENERAL MEETINGS**

The Board of Directors has agreed to require the presence of a notary in order to issue the meeting minutes pursuant to the provisions of article 203 of the Spanish Corporate Enterprises Act.

In El Puerto de Santa María, 21 December 2015  
The Secretary of the Board of Directors  
Guillermo Medina Ors

**CARBURES EUROPE, S.A.****FULL TEXT OF THE PROPOSED RESOLUTIONS FORMULATED BY THE BOARD OF DIRECTORS TO BE SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS CALLED FOR 25 JANUARY 2016.**

---

- One.- The issuance of Series A Warrants in favour of the entity LAS Holdings S.à.r.l. which include the right to subscribe ordinary shares newly issued by Carbures Europe, S.A. by means of effective exercise, excluding the right of preferential subscription of current Company shareholders and delegating the execution and establishment of the rules thereof not established by the General Meeting of Shareholders to the Board of Directors in addition to an increase in the Company's capital by the amount necessary to provide for the exercise of the rights included in the Series A Warrants through a monetary increase, excluding preferential subscription rights and delegating the power to execute the capital increase agreed in one or several instalments as per the exercise of the rights thereto to the Board of Directors.**

PROPOSAL: To approve the issuance of Series A Warrants in favour of LAS Holdings S.à.r.l. (hereinafter referred to as "**LAS**") which include the right to subscribe ordinary newly-issued shares in Carbures Europe, S.A. (the "**Company**" or "**Carbures**") through effective exercise, excluding any preferential subscription rights of current Company shareholders, delegating the execution and establishment of the conditions thereof not established by the General Meeting of Shareholders to the Board of Directors. The approval of an increase in the Company's share capital by the sum necessary to meet the requirements of the exercise of the rights included in the Series A Warrants with a monetary increase and the delegation to the Board of Directors of the power to execute the capital increase agreed in one or more instalments as per the exercise of the rights thereof.

**I. ISSUANCE AND CHARACTERISTICS OF THE WARRANTS****(a) Issuance**

It is hereby agreed to issue a number of Carbures Europe, S.A. warrants which shall give the holders the right to subscribe ordinary shares in Carbures which are newly issued (the "**New Shares**") with the characteristics described in section II below through monetary contributions in accordance with the terms and conditions indicated thereafter (hereinafter, the "**Series A Warrants**", and each individually as a "**Series A Warrant**"), delegating the powers necessary for their execution to the Board of Directors (in the understanding that each time powers are delegated in virtue of this agreement, they shall include the power to replace them pursuant to the laws in effect).

**(b) Exclusion of preferential subscription rights**

Given that the elimination of the preferential subscription rights - as provided for in the Board of Directors report which was approved on 16 December 2015 and made available to the shareholders at the time of the call for this meeting - will enable the subscription of the Series A Warrants by LAS Holdings S.à.r.l., the Board believes said elimination is beneficial to the company's interests and therefore, proposes to fully eliminate the Company shareholders' preferential subscription rights. The subscription by LAS of the Series A Warrants was an essential condition of the Collaboration Agreement signed with Carbures to support the

company's development activities in North America which is considered a key market for the company.

Pursuant to the provisions of articles 414.2 and 417 of the LSC, the Trade Register of Cadiz was asked to appoint an auditor other than the Company's auditor in order to issue a report by an account auditor other than the Company's auditor to offer an opinion related to the directors' report as concerns the contents thereof which was made available to the shareholders at the time this call for a General Meeting of Shareholders was published.

**(c) Issue price of the Series A Warrants**

Prior to the fifteenth calendar day before the third anniversary of the issue date of the Series A Warrants and, in any case, prior to the time of exercise of the Series A Warrants, the holders must pay a sum of 0.01 euros for each New Share they have a right to subscribe as a deferred issue price (the **"Issue Price of the Series A Warrants"**).

The Issue Price of the Series A Warrants must be paid by LAS Holdings S.à.r.L. to the Company if LAS Holdings S.à.r.L. wishes to be able to exercise or transfer the Series A Warrants. If LAS Holding S.à.r.L. does not pay said Issue Price for the Series A Warrants, it may not exercise or transfer the Series A Warrants nor will the Issue Price be due and payable.

**(d) Rights included with the Series A Warrants**

The Series A Warrants shall grant the holders the right but not the obligation to subscribe a sufficient number of New Shares so that, if all of the rights deriving from the Series A Warrants are exercised, the number of New Shares represent 5% of the share capital in the Company as of the date the proposal referred to in this resolution is approved by the Board of Directors; in other words, 16,468,254.28 euros, represented by 96,872,084 ordinary shares with a face value of 0.17 euros each.

To this end, the Series A Warrants will grant the holders the right but not the obligation to immediately subscribe New Shares up to a maximum of 4,843,604 New Shares, corresponding to a maximum capital increase sum of 8,185,690.76 euros; 823,412.68 euros of which would correspond to the face value and 7,362,278.08 euros to the issue premium.

**(e) Subscription Price of the Company's ordinary shares in exercise of the Series A Warrants. Adjustments**

The subscription price of the Company's ordinary shares in exercise of the rights included in the Series A Warrants proposed shall be fixed and total 1.69 euros per share (the **"Share Subscription Price"**) with 0.17 euros corresponding to the face value and 1.52 euros to the issue premium.

In determining the Share Subscription Price, the subscription price of the Company's shares in the capital increase agreed by the Company at the General Meeting of Shareholders on 14 August 2015, was considered and then corrected based on the commitments assumed by LAS under the Collaboration Agreement.

The Share Subscription Price shall be subject to the anti-dilution mechanisms outlined below and will be modified pursuant to the following rules so as not to lead to an increase in the total price of subscription.

If the Company agrees to a distribution of dividends in the form of released shares, an increase the share capital chargeable to the reserves, or reduce or increase the face value of the shares without altering the share capital figure (such as would be the case in a split or counter-split) or in the event of a capital decrease due to losses, the Share Subscription Price (and to the extent necessary, the number of New Shares giving rise to the right to subscribe to the Series A Warrants will be adjusted in accordance with the formula below (effective as of the date of execution of the resolution) so that, in application of the new Share Subscription Price, the Series A Warrants will continue to give the right to subscribe New Shares representing 5% of the company's share capital in accordance with the terms established with the issuance of the Series A Warrants).

$$P2 = P1 \times (N1/N2)$$

Where:

P2: represents the Share Subscription Price resulting from the adjustment;

P1: represents the Share Subscription Price prior to the adjustment, which will initially be 1.69 euros per share;

N1: represents the number of shares in circulation prior to the adjustment;

N2: represents the number of shares in circulation following the adjustment.

The adjustments that must be done will be calculated by the Company as previously agreed and should be accepted by the holder of the Series A Warrants unless there is a manifest calculation error. Any such error should be communicated by the holder within five (5) business days of the date on which the adjustments are communicated to it by the Company. If the adjustment proposed is not challenged within the period of five (5) business days following the date of notification of the adjustment, it shall be understood as approved and will be applied. The adjustments previously established may be applied as often as said situations occur and to the Subscription Prices of the Shares previously modified.

The Share Subscription Prices resulting from the application of the previous formulas must be rounded down in all cases to the closest euro cent. The excess resulting from rounding shall be taken into consideration when making later adjustments to the minimum or maximum Share Subscription Price, if they exist.

The Share Subscription Price may not under any circumstance be reduced to such extent that the Company's New Shares are issued below the face value (currently, 0.17 euros). Under no circumstance may the Subscription Price of the Shares be adjusted up above 1.69 euros per share (except in the case of a counter-split to the extent that the share capital figure does not vary and the number of New Shares that may be subscribed as per the Series A Warrants represents 5% of the Company's current share capital as of the date the proposal referred to in this agreement is approved by the Board of Directors).

**(f) Compliance with the Conditions of Exercise, maximum period of exercise and extinguishment of the Series A Warrants**

(A) Conditions of Exercise:

LAS must:

1. Pay the entire Issue Price of the Series A Warrants to the Company;
2. Declare the completion of the services subject of the Collaboration Agreement as concerns the issuance of the Series A Warrants.

For this purpose, a certificate issued by the LAS administrative body declaring that said commitments have been provided signed before a notary and with the corresponding apostille shall be sufficient.

(the conditions established in sections (1) and (2) above, the “**Conditions of Exercise**” and must be completed prior to the fifteenth calendar day prior to the third anniversary of the issuance date of the Series A Warrants).

If the Company disputes the effective compliance by LAS of the Conditions of Exercise, the Company and LAS shall submit said dispute to the jurisdiction of the courts of England which will issue a decision pursuant to English law and in accordance with the provisions of the Collaboration Agreement.

(B) **Deadline for exercise and extinguishment:**

The Series A Warrants may be exercised by the holders fully or partially at any time as of full compliance with the Conditions of Exercise and up to a maximum of three (3) years as of the date of issuance thereof.

The exercise of the rights included in the Series A Warrants by the holders shall be an individual decision of each one of them and will be irrevocable once communicated to the Company.

Any request to exercise the Warrants must be made ten (10) days prior to the exercise date and must be accompanied by a bank certificate proving the availability of the funds in a sufficient quantity to subscribe the shares to which the Series A Warrants exercised grant rights.

Therefore, the various rights under the Warrants will be extinguished (i) due to their full exercise, (ii) if the Conditions of Exercise are not fulfilled prior to the fifteenth calendar day prior to the third anniversary of the date of issuance of the Series A Warrants or (iii) if the rights included in them are not exercised within three (3) years as indicated.

**(f) Means of representation of Series A Warrants**

The Series A Warrants shall be represented by means of registered securities and the Company must keep a record of the holders which shall include the identity of the holder, the total or partial exercise of the rights associated with the Series A Warrants and, as a result, the number of New Shares issued chargeable to them.

**(g) Recipients and holders of Series A Warrants**

The Warrants shall be exclusively subscribed by LAS to which the Company's administrative body will deliver the corresponding securities.

Notwithstanding the foregoing, the Series A Warrants will be transferable in the manner outlined in section III (h) below meaning the entity exercising the right included in the Series A Warrants in the end may be different from LAS.

**(h) Transferability of Series A Warrants**

Once the Conditions of Exercise of the Series A Warrants have been met, said Series A Warrants will be freely transferable to qualified investors and may be partially transferred. Until such time, the Series A Warrants may not be transferred to any third party.

The transfer of the Series A Warrants, if applicable, must be communicated to the Company which will note the new holder in the records and, where applicable, will cancel, replace and issue the corresponding multiple registered securities in favour of the new holders (and to the original holder in the event of a partial assignment).

**(i) Non-listing of Warrants**

The Series A Warrants shall not be admitted for listing in any secondary market.

**(k) Issuance guarantees**

The Series A Warrants are not guaranteed.

**(l) Modification of the terms and conditions relating to the rights included in the Series A Warrants**

The modification of the terms and conditions of the Series A Warrants (including subscription rights) will require a resolution by the Company as well as by all of the holders thereof.

Nonetheless, any modification or variation in the terms and conditions of the Series A Warrants, whether formal, minor or technical (which does not negatively affect the rights of the holders of the Series A Warrants) or to correct a manifest error may be done directly by the Company following consultation with the holders.

**(m) Law applicable to the Series A Warrants and Jurisdiction**

The Series A Warrants shall be governed by common Spanish law. In subscribing the Series A Warrants, the holders agree that any dispute between the holder of a Series A Warrant and the Company shall be submitted to the jurisdiction of the courts of the city of Madrid unless otherwise indicated in section (e) above in relation to the Conditions of Exercise.

**II. CAPITAL INCREASE IN THE SUM NECESSARY TO COVER THE SERIES A WARRANTS**

**(a) Monetary capital increase**

It is hereby agreed to increase the Company's share capital one or more times (depending on when the rights included in the Series A Warrants are exercised) by the sum necessary to cover the exercise of the rights included in the Series A Warrants. This increase may total a maximum amount of the planned increased capital of 8,185,690.76 euros by means of the issuance of up to a maximum of 4,843,604 New Shares with a face value of 0.17 euros each and an issuance premium of 1.52 euros with incomplete subscription expected.

Notwithstanding the foregoing, the maximum number of New Shares to be issued is subject to possible modifications resulting from potential adjustments to the Share Subscription Price.

Pursuant to article 297.1 a) LSC, it is hereby agreed to delegate the power to the Board of Directors (with the understanding each time powers are delegated in virtue of this agreement that they include the express power to be substituted pursuant to current laws) to fully or partially execute, as applicable, the Capital Increase needed to cover the rights included in the Series A Warrants by means of the issuance of new ordinary shares newly issued by the Company pursuant to the characteristics outlined below.

(i) Sum of the Capital Increase

Without prejudice to the adjustments to the Subscription Price of the Shares provided for in section I (d) above, the face value of the Capital Increase shall be a maximum of 823,412.68 euros which will be generated by the issuance and circulation of a total maximum number of 4,843,604 new shares (the “**New Shares**”).

The New Shares shall be issued at a face value equal to 0.17 euros (the “**Face Value**”) plus an issue premium of 1.52 euros and shall be of the same class and series as those currently existing.

As a result of the foregoing, the Capital Increase shall be an effective maximum amount of 8,185,690.76 euros (the “**Capital Increase Sum**”).

(ii) Subscription Price of the Shares in exercise of the Series A Warrants

The Subscription Price of the Shares proposed shall be fixed and total [1.69] euros with a face value of 0.17 euros and an issuance premium of 1.52 euros. However, this will be exclusively adjusted in the circumstances and under the terms described in section I (d) above.

(iii) Rights of the New Shares

The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.

(iv) Recipients of the Capital Increase

The Capital Increase will be exclusively directed at the holders of the Series A Warrants at any given time, initially LAS.

(v) Counter value and payment of the Capital Increase

The Capital Increase will be fully paid up by means of monetary contributions.

(vi) Non-existence of preferential subscription rights

Given that the capital increase will be completed as a result of the exercise of the Series A Warrants - which were issued with an exclusion of any preferential subscription rights in accordance with the provisions of articles 414 and 417.2 of LSC - and their conversion into New Shares, there is no preferential subscription right for shareholders pursuant to the provisions of article 304.2 LSC.

(vii) Issuance of New Shares

Within the maximum period of fifteen (15) business days after the end of each calendar month in which notifications are received relating to the exercise of the rights included in the Series A Warrants, the Board of Directors (or whomever is delegated to do so by this body) will perform and complete all of the corporate actions and administrative procedures necessary to issue the new ordinary shares in the Company.

The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.

(viii) The listing of shares

It is hereby agreed to request listing of the ordinary shares issued by the Company upon the exercise of the Series A Warrants on the Spanish Alternative Stock Market.

It is hereby expressly stated that if delisting of the Company's stock is later requested, it will be adopted with the same formalities applicable and, in such case, the interests of the shareholders opposing the delisting agreement or do not vote for it will be guaranteed.

(ix) Incomplete subscription

For the purposes provided for in article 311.1 LSC, the incomplete subscription of the Capital Increase is expressly planned. As a result, the Capital Increase may be declared closed at the resulting subscribed and paid up sum if the new ordinary shares in the Company are not fully subscribed.

(x) Modification of article 5 of the Company's Articles of Association

As a result of the Capital Increase, it is hereby agreed to modify article 5 of the Articles of Association as well as to delegate the final wording to the Board of Directors pursuant to the provisions of section IV below once the subscription and payment of the Capital Increase are verified.

### III. DELEGATION OF POWERS

Without prejudice to the delegation of specific powers contained in the sections above, it is hereby agreed to empower the Board of Directors to the extent required by law and with express powers of substitution through any of its members so that any of them may indistinctively execute this resolution and in particular but not limited to:

- (i) Expand and write this resolution, establishing the date or dates of issuance, the terms and conditions of issuance for all matters not provided for in this resolution and to complete any actions necessary to improve the execution and transaction related to the delivery and functioning of the Series A Warrants including, as applicable, any publications that may be necessary.
- (ii) Appear before a notary and grant the corresponding public instrument issuing the Series A Warrants subject of this resolution, and request registration of said public instrument with the Trade Register as well as make the required issue notices and

grant any public or private documents necessary to declare the close of the subscription of the Series A Warrants.

- (iii) Execute the resolution to increase the Company's share capital by issuing and putting into circulation in one or several instalments the ordinary shares representing said share capital necessary to effectively exercise the rights of the holders of Series A Warrants and re-word the article in the Company's Articles of Association relating to its share capital, voiding the part of said capital increase not necessary due to the exercise of the rights of the holders of Series A Warrants; and request the listing of the ordinary shares issued on the Spanish Alternative Stock Market.
- (iv) Write, sign and present, where applicable, the Informational Document and as many supplements thereof which are necessary to the CNMV, the managing enterprise Sociedad Rectora del Mercado Alternativo Bursátil or any other supervisory authority necessary in relation to the issuance and listing of the new shares issued as result of the exercise of the Series A Warrants, assuming all liability for them as well as all other documents and information required pursuant to the provisions of applicable regulations and the Spanish Alternative Stock Market standards. Moreover, complete any action, statement or procedure required with the Spanish Alternative Stock Market, CNMV, Iberclear or any other organisation, entity, or public or private Spanish or foreign register and complete all of the necessary procedures on behalf of the Company so that the new ordinary shares resulting from the capital increase may be registered with the Iberclear accounting registers and listed on the Spanish Alternative Stock Market.
- (v) Negotiate and sign as well as submit for referendum or confirm, as appropriate, the contracts required with the financial institutions which, as applicable, intervene in the issuance and placement of the Series A Warrants under the terms deemed most suitable.
- (vi) Correct, clarify, interpret, specify or complement the resolutions adopted by the General Meeting of Shareholders or any others mentioned in any public instruments or documents granted in execution thereof and, in particular, any defects, omissions or errors in matter or form that would prevent access to the resolutions or the consequences thereof with the Trade Register, Official CNMV (Spanish National Securities Market Commission) Registers or any others.
- (vii) Grant any public or private documents necessary or appropriate on behalf of the Company for the issuance of the Series A Warrants subject of this resolution and, in general, complete as many procedures as are necessary for the execution of this resolution and the effective circulation of the Series A Warrants including signing the bearer's certificates representing the Series A Warrants."

## **Two.- Appointment of members of the Board of Directors.**

### **Two A: The appointment of Mr Roberto Rey Perales as an executive director.**

PROPOSAL: To appoint Mr Roberto Rey Perales as a member of the Company's Board of Directors, with the status of an Executive Director, for the statutory period of six years following approval of this resolution.

**Two B: The appointment of Mr Roberto Ramón González de Betolaza García as a Proprietary Director.**

PROPOSAL: To appoint Mr Roberto Ramón González de Betolaza García as a member of the Company's Board of Directors, with the status of a Proprietary Director, for the statutory period of six years following approval of this resolution.

**Two C: The appointment of Mr Ignacio Torres Prada as an independent director.**

PROPOSAL: To appoint Mr Ignacio Torres Prada as a member of the Company's Board of Directors, with the status of an Independent Director, for the statutory period of six years following approval of this resolution.

**REPORT PRESENTED BY THE BOARD OF DIRECTORS OF CARBURES EUROPE, S.A. IN RELATION TO THE PROPOSED ISSUANCE OF SERIES A WARRANTS AND THE CORRESPONDING MONETARY CAPITAL INCREASE IN ORDER TO COVER THE SERIES A WARRANTS INCLUDED IN ITEM ONE ON THE AGENDA OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

**I. PURPOSE OF THE REPORT**

The Board of Directors of Carbures Europe, S.A. ("**Carbures**" or the "**Company**") agreed at its meeting on 16 December 2015 to call an Extraordinary General Meeting of Shareholders and submit the approval of the issuance of warrants and the corresponding capital increase to cover said warrants to said General Meeting under Item One of the Agenda.

Pursuant to the provisions of article 286 of the Spanish Corporate Enterprises Act ("**LSC**"), in relation to articles 297.1 a) and 417 of the LSC and the concordant provisions of the Trade Register Regulations and, thus, article 414.2 of the LSC, the members of the Carbures Board of Directors have formulated this report. The purpose is to explain and justify the Carbures warrant issuance transaction with an exclusion of the preferential subscription rights of the current Company shareholders (the "**Issuance**") which will give the right to subscribe newly-issued ordinary shares in the Company (the "**New Shares**"), the corresponding monetary capital increase (the "**Capital Increase**") by the sum necessary which shall occur if the rights included in said warrants are actually exercised. For all matters not agreed at the Meeting of Shareholders, the Board of Directors is delegated the necessary powers to execute the Issuance as soon as the conditions to which it is subject have been fulfilled as well as the Capital Increase.

Below is an explanation for all shareholders of the transaction proposed to the Company's General Meeting of Shareholders and the reasons justifying the Issuance.

**II. DESCRIPTION, CONTEXT OF THE ISSUANCE AND REASONS FOR THE TRANSACTION**

The Issuance, the approval of which is proposed to the General Meeting of Shareholders in virtue of the proposed resolution referred to in this directors' report, is part of the collaboration agreement (the "**Collaboration Agreement**") signed by and between the Company and LAS Holdings S.à.r.L. ("**LAS**") –a Luxembourg-based company pertaining to the Wilbur Ross Group- dated 16 December 2015 in virtue of which the latter undertakes to provide the Company with support to facilitate its introduction in the automotive market and promote its activities (the "**Transaction**"). As compensation for the services to be provided by LAS under the Collaboration Agreement, the Company will complete the Issuance which will be fully and exclusively subscribed by LAS.

In the opinion of the Company directors, said Agreement and the issuance of the warrants will contribute to the development of the Company's business plan, considering the market in which it operates and the current economic-financial conditions.

In virtue of this agreement, LAS shall have the right to subscribe warrants issued by the Company which will grant it with the right to subscribe shares representing 5% of the Company's share capital considering for this purpose only the Carbures share capital as of the date the proposal referred to in this report is approved by the Board of Directors; in other words, €16,486,254.28, represented by 96,872,084 shares.

### III. ISSUANCE AND CHARACTERISTICS OF THE WARRANTS

In execution of resolution One on the Agenda referred to in this report, Carbures warrants will be issued if approved by the General Meeting of Shareholders, with the resulting exclusion of the preferential subscription rights corresponding to the current shareholders, which shall give the holders the right to subscribe New Shares in accordance with the terms and conditions indicated below (hereinafter the “**Series A Warrants**”, and individually as a “Warrant”).

#### (a) Details of the Issuing Entity

The issuing entity is Carbures Europe, S.A, which has its registered address in El Puerto de Santa María (Cádiz), at calle Ingeniería nº 4.

It was constituted for an indefinite lifetime under the name Easy Industrial Solutions, S.L., in a public instrument authorised before the Notary of Cadiz, Mr Federico Linares Castrillón, on 28 November 2002, and recorded under the number 3580 of the notary records. It was modified by other documents and the name was changed to the current one and it was transformed into a public limited company in a public instrument authorised by the Notary of El Puerto de Santa María, Mr Pantaleón Aranda García del Castillo, on 28 September 2011, and recorded under the number 943 of the notary records. It is registered with the Trade Register of Cadiz in volume 1594, folio 97, section 8, page CA- 2462.

The Company currently has a share capital of €16,468,254.28, divided into 96,872,084 shares with a face value of €0.17 each, of the same series and class, which are represented by account entries. The party responsible for keeping the account records is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A: (IBERCLEAR). The Company's shares are listed in the Spanish Alternative Stock Market.

For the purposes of this report, the share capital figure taken into consideration shall be €16,468,254.287, divided into 96,872,084 shares with a face value of €0.17 euros each.

Pursuant to the provisions of the articles of association, the Carbures corporate purpose consists of:

*“The Company's corporate purpose includes the provision of services and the supply of products through knowledge management, the use of cutting edge technology and ongoing innovation processes to companies in industrial and non-industrial sectors relating to the manufacture of carbon fibre composites for structural and non-structural elements as well as the provision of consulting and engineering services.*

*Excluded from the corporate purpose are any activities subject to specific regulations. If any of the activities included in the corporate purpose were to be reserved or are reserved by Law to a certain professional category, they must be performed by a person holding the required certification with the corporate purpose involving the brokerage or coordination of such services.*

*The activities included in the corporate purpose may be fully or partially developed indirectly, by means of participation in other Companies with an identical or similar purpose.”*

### **(b) Issue price of the Series A Warrants**

The Series A Warrants shall be issued as compensation for the support services to be provided by LAS to Carbures under the Collaboration Agreement in order to facilitate its introduction in the automotive market and promote its activities.

Notwithstanding the foregoing, prior to the fifteenth calendar day before the third anniversary of the issue date of the Series A Warrants and, in any case, prior to the time of exercise of the Series A Warrants, the holders must pay a sum of 0.01 euros for each New Share they have a right to subscribe as a deferred issue price (the “**Issue Price of the Series A Warrants**”).

Therefore, the Issue Price of the Series A Warrants must be paid by LAS Holdings to the Company if LAS Holdings wishes to be able to exercise or transfer the Series A Warrants. If LAS Holding does not pay said Issue Price for the Series A Warrants, it may not exercise or transfer the Series A Warrants nor will the Issue Price of the Series A Warrants be due and payable.

### **(c) Rights included with the Series A Warrants**

The Series A Warrants will grant the holders the right, but not the obligation, to subscribe a sufficient number of New Shares so, if the rights deriving from the Series A Warrants are fully exercised, the number of New Shares represents 5% of the Company's current share capital. For the purposes of calculating the 5%, only the Company's share capital as of the date the proposal referred to in this report is approved by the Board of Directors will be considered; in other words, 16,468,254.28 euros representing 96,872,084 ordinary shares with a face value of 0.17 euros each.

To this end, the Series A Warrants will grant the holders the right but not the obligation to immediately subscribe New Shares up to a maximum of 4,843,604 New Shares, corresponding to a maximum capital increase sum of 8,185,690.76 euros; 823,412.68 euros of which would correspond to the face value and 7,362,278.08 euros to the issue premium.

### **(d) Subscription Price of the New Shares in exercise of the Series A Warrants. Adjustments**

The subscription price of the New Shares in exercise of the rights included in the Series A Warrants proposed shall be fixed and total 1.69 euros per share (the “**Share Subscription Price**”) with 0.17 euros corresponding to the face value and 1.52 euros to the issue premium.

In determining the Share Subscription Price, the subscription price of the Company's shares in the capital increase agreed by the Company at the General Meeting of Shareholders on 14 August 2015, was considered and then corrected based on the commitments assumed by LAS under the Collaboration Agreement.

The Share Subscription Price shall be subject to the anti-dilution mechanisms outlined below and will be modified pursuant to the following rules so as not to lead to an increase in the total price of subscription.

If the Company agrees to a distribution of dividends in the form of released shares, an increase the share capital chargeable to the reserves, or reduce or increase the face value of the shares without altering the share capital figure (such as would be the case in a split or counter-split) or in the event of a capital decrease due to losses, the Share Subscription Price (and to the extent necessary, the number of New Shares giving rise to the right to subscribe to the Series A Warrants will be adjusted in accordance with the formula below (effective as of the date of

execution of the resolution) so that, in application of the new Share Subscription Price, the Series A Warrants will continue to give the right to subscribe New Shares representing 5% of the company's share capital in accordance with the terms established with the issuance of the Series A Warrants).

$$P2 = P1 \times (N1/N2)$$

Where:

P2: represents the Share Subscription Price resulting from the adjustment;

P1: represents the Share Subscription Price prior to the adjustment, which will initially be 1.69 euros per share;

N1: represents the number of shares in circulation prior to the adjustment;

N2: represents the number of shares in circulation following the adjustment.

The adjustments that must be done will be calculated by the Company as previously agreed and should be accepted by the holder of the Series A Warrants unless there is a manifest calculation error. Any such error should be communicated by the holder within five (5) business days of the date on which the adjustments are communicated to it by the Company. If the adjustment proposed is not challenged within the period of five (5) business days following the date of notification of the adjustment, it shall be understood as approved and will be applied. The adjustments previously established may be applied as often as said situations occur and to the Subscription Prices of the Shares previously modified.

The Share Subscription Prices resulting from the application of the previous formulas must be rounded down in all cases to the closest euro cent. The excess resulting from rounding shall be taken into consideration when making later adjustments to the minimum or maximum Share Subscription Price, if they exist.

The Share Subscription Price may not under any circumstance be reduced to such extent that the Company's New Shares are issued below the face value (currently, 0.17 euros). Under no circumstance may the Subscription Price of the Shares be adjusted up above 1.69 euros per share (except in the case of a counter-split to the extent that the share capital figure does not vary and the number of New Shares that may be subscribed as per the Series A Warrants represents 5% of the Company's current share capital).

**(e) Compliance with the Conditions of Exercise, maximum period of exercise and extinguishment of the Series A Warrants**

(A) Conditions of Exercise:

LAS must:

1. Pay the entire Issue Price of the Series A Warrants to the Company.
2. Declare the completion of the services subject of the Collaboration Agreement as concerns the issuance of the Series A Warrants.

For this purpose, a certificate issued by the LAS administrative body declaring that said commitments have been provided signed before a notary and with the corresponding apostille shall be sufficient.

(the conditions established in sections (1) and (2) above, the “**Conditions of Exercise**” and must be completed prior to the fifteenth calendar day prior to the third anniversary of the issuance date of the Series A Warrants and, in any case, prior to the time of exercise of the Series A Warrants).

If the Company disputes the effective compliance by LAS of the Conditions of Exercise, the Company and LAS shall submit said dispute to the jurisdiction of the courts of England which will issue a decision pursuant to English law and in accordance with the provisions of the Collaboration Agreement.

(B) **Deadline for exercise and extinguishment:**

The Series A Warrants may be exercised by the holders fully or partially at any time as of full compliance with the Conditions of Exercise and up to a maximum of three (3) years as of the date of issuance thereof.

The exercise of the rights included in the Series A Warrants by the holders shall be an individual decision of each one of them and will be irrevocable once communicated to the Company.

Any request to exercise the Series A Warrants must be made ten (10) days prior to the exercise date and must be accompanied by a bank certificate proving the availability of the funds in a sufficient quantity to subscribe the shares to which the Series A Warrants exercised grant rights.

Therefore, the various rights under the Series A Warrants will be extinguished (i) due to their full exercise, (ii) if the Conditions of Exercise are not fulfilled prior to the fifteenth calendar day prior to the third anniversary of the date of issuance of the Series A Warrants or (iii) if the rights included in them are not exercised within three (3) years as indicated.

**(f) Means of representation of Warrants**

The Series A Warrants shall be represented by means of registered securities and the Company must keep a record of the holders which shall include the identity of the holder, the total or partial exercise of the rights associated with the Series A Warrants and, as a result, the number of New Shares issued chargeable to them.

**(g) Recipients and holders of Series A Warrants**

The Series A Warrants shall be exclusively subscribed by LAS to which the Company's administrative body will deliver the corresponding securities.

Notwithstanding the foregoing, the Series A Warrants will be transferable in the manner outlined in section III (h) below meaning the entity exercising the right included in the Series A Warrants in the end may be different from LAS.

#### **(h) Transferability of Series A Warrants**

Once the Conditions of Exercise of the Series A Warrants have been met, said Series A Warrants will be freely transferable to qualified investors and may be partially transferred. Until such time, the Series A Warrants may not be transferred to any third party.

The transfer of the Series A Warrants, if applicable, must be communicated to the Company which will note the new holder in the records and, where applicable, will cancel, replace and issue the corresponding multiple registered securities in favour of the new holders (and to the original holder in the event of a partial assignment).

#### **(i) Non-listing of Warrants**

The Series A Warrants shall not be admitted for listing in any secondary market.

#### **(k) Issuance guarantees**

The Series A Warrants are not guaranteed.

#### **(l) Modification of the terms and conditions relating to the rights included in the Series A Warrants**

The modification of the terms and conditions of the Series A Warrants (including subscription rights) will require a resolution by the Company as well as by all of the holders thereof.

Nonetheless, any modification or variation in the terms and conditions of the Series A Warrants, whether formal, minor or technical (which does not negatively affect the rights of the holders of the Series A Warrants) or to correct a manifest error may be done directly by the Company following consultation with the holders.

#### **(m) Law applicable to the Series A Warrants and Jurisdiction**

The Series A Warrants shall be governed by common Spanish law. In subscribing the Series A Warrants, the holders agree that any dispute between the holder of a Series A Warrant and the Company shall be submitted to the jurisdiction of the courts of the city of Madrid unless otherwise indicated in section (e) above in relation to the Conditions of Exercise.

#### **(n) Concerning the exclusion of preferential subscription rights**

The Series A Warrants shall be issued as part of the provisions of the Collaboration Agreement in virtue of which LAS has undertaken to provide the Company with its support to facilitate the Company's introduction in the automotive market and the promotion of its activities. The subscription by LAS of the Series A Warrants was an essential condition of the Collaboration Agreement signed and is fundamental to the development of the Company's activities in North America which is considered a key market for the company.

The special conditions for the Company of signing the Collaboration Agreement with an entity of the reputation and with the contacts and experience of LAS are precisely what advise the elimination of the preferential subscription rights of the Company's shareholders. The significant value provided by the Collaboration Agreement with LAS is just compensation for the issue and exercise of the Series A Warrants.

The Carbures Board of Directors believes that, in the case at hand, the exclusion of the preferential subscription rights is fully justified for reasons of company interest.

Thus, the exclusion of the preferential subscription right saves the necessary proportionality with the purpose sought in that it will be more than compensated and justified by the benefit involved for the Company and the very shareholders by the possibility of completing such Transaction under the conditions set forth.

Therefore, the issue of the Series A Warrants will be completed with the exclusion of the preferential subscription rights pursuant to the provisions of articles 414 and 417.2 LSC.

To this end, there will be no preferential subscription rights pursuant to the provisions of article 304.2 LSC in the capital increase completed as a result of the exercise of the Series A Warrants and the conversion thereof into the New Shares.

**(o) Report by an account auditor**

Pursuant to the provisions of article 417 LSC, the Trade Register of Cadiz was asked to appoint an auditor other than the Company's auditor to issue a report containing a technical opinion of the reasonableness of the data contained in the directors' report and the suitability of the conversion ratio and, where applicable, any adjustment formulae to compensate for any possible dilution in the shareholders' economic participation.

Both this Report as well as the report issued by said account auditor shall be made available to the shareholders at the time of the call for the General Meeting of the Company's Shareholders proposing the approval of the issuance of the Series A Warrants and the corresponding capital increase.

**IV. CAPITAL INCREASE IN THE SUM NECESSARY TO COVER THE SERIES A WARRANTS**

The Board of Directors will propose to the General Meeting of Shareholders an increase in the Company's share capital in one or more instalments (depending on when the rights included in the Series A Warrants are exercised) by the sum necessary to meet the requirements of the exercise of the rights included in the Series A Warrants against increased monetary contributions and with an expected incomplete subscription, on the one hand; and, on the other hand, the delegation to the Board of Directors of the power pursuant to the provisions of art. 297.1 a) LSC to fully or partially execute the increase necessary to meet the requirements of the rights associated with the Series A Warrants by issuing New Shares in accordance with the characteristics outlined below.

**A. Justification for the capital increase as in the corporate interest**

As indicated, this capital increase aims to permit the exercise and conversion of the Series A Warrants to be subscribed by LAS as part of the Collaboration Agreement in virtue of which LAS has undertaken to provide the Company with its support to facilitate its introduction in the automotive market and promote its activities.

**B. Justification for the issue type**

As indicated above, in determining the Price of Subscription of the Shares, the subscription price of the Company's shares in the capital increase agreed by the Company at the General

Meeting of Shareholders on 14 August 2015, was taken into consideration and then slightly corrected based on the commitment required of LAS as a result of the Transaction.

### **C. Characteristics of the Capital Increase**

#### **(i) Subscription Price of the Shares in exercise of the Series A Warrants**

The Subscription Price of the Shares proposed shall be fixed and total 1.69 euros corresponding to a face value of 0.17 euros and an issue premium of 1.525 euros. However, this will be exclusively adjusted in the circumstances and under the terms described in section III (d) above.

#### **(ii) Sum of the Capital Increase**

Pursuant to the provisions of article 414 LSC, it is hereby proposed to increase the Company's share capital by the sum necessary to cover the exercise of the rights included in the Series A Warrants. This increase may total a maximum amount of the planned increased capital of 8,185,690.76 euros by means of the issuance of up to a maximum of 4,843,604 New Shares with a face value of 0.17 euros each and an issue premium of 1.52 euros with incomplete subscription expected.

Notwithstanding the foregoing, the maximum number of New Shares to be issued is subject to possible modifications resulting from potential adjustments to the Share Subscription Price.

#### **(iii) Counter value and payment of the Capital Increase**

The Capital Increase will be fully paid up by means of monetary contributions.

#### **(iv) Rights of the New Shares**

The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.

#### **(v) Non-existence of preferential subscription rights**

The capital increase will be completed as a result of the exercise of the Series B Warrants, the issuance of which shall be completed with the exclusion of the preferential subscription rights pursuant to the provisions of articles 414 and 417.2 LSC.

Therefore, there will be no preferential subscription rights pursuant to the provisions of article 304.2 LSC in the capital increase completed as a result of the exercise of the Series B Warrants and the conversion thereof into the New Shares.

#### **(vi) Issuance of News Shares**

Within the maximum period of fifteen (15) business days after the end of each calendar month in which notifications are received relating to the exercise of the rights included in the Series A Warrants, the Board of Directors (or whomever is delegated to do so by this body) will perform and complete all of the corporate actions and administrative procedures necessary to issue the New ordinary Shares in the Company.

The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.

**(vii) Listing of the Shares**

It is hereby agreed to request listing of the ordinary shares issued by the Company upon the exercise of the Series A Warrants on the Spanish Alternative Stock Market.

It is hereby expressly stated that if delisting of the Company's stock is later requested, it will be adopted with the same formalities applicable and, in such case, the interests of the shareholders opposing the delisting agreement or do not vote for it will be guaranteed.

**(viii) Incomplete Subscription**

For the purposes provided for in article 311.1 LSC, the incomplete subscription of the Capital Increase is expressly planned. As a result, the Capital Increase will be limited to the sum corresponding to the exercise of the Series A Warrants.

**(ix) Delegation of powers and the execution of the Capital Increase**

Pursuant to the provisions of article 297.1 a) LSC, the Board of Directors shall propose to the General Meeting of Shareholders the delegation in the very Board of Directors, with express powers for the substitution of any of the members, of the powers necessary to execute the resolution for the necessary Capital Increase in order to meet the rights included in the Series A Warrants at any time during their exercise and to modify, as a result, the wording of article 5 of the Articles of Association in order to adapt them once or several times to the new share capital figure resulting from the execution of the Capital Increase to meet the exercise of the rights included in the Series A Warrants and request the listing of the New Shares thus issued on the Spanish Alternative Stock Market as well as any actions detailed in the proposed resolution subject of this report.

**V. TEXT OF THE PROPOSED RESOLUTION**

*“ONE.- The issuance of Series A Warrants in favour of LAS which include the right to subscribe ordinary newly-issued shares in Carbures Europe, S.A. through effective exercise, excluding any preferential subscription rights of current Company shareholders, delegating the execution and establishment of the conditions thereof not established by the General Meeting of Shareholders to the Board of Directors. The approval of an increase in the Company's share capital by the sum necessary to meet the requirements of the exercise of the rights included in the Series A Warrants with a monetary increase and the delegation to the Board of Directors of the power to execute the capital increase agreed in one or more instalments as per the exercise of the rights thereof.*

**I. ISSUANCE AND CHARACTERISTICS OF THE WARRANTS**

**(a) Issuance**

*It is hereby agreed to issue a number of Carbures Europe, S.A. (the “Company” or “Carbures”) Warrants which shall give the holders the right to subscribe ordinary shares in Carbures which are newly issued (the “New Shares”) with the characteristics described in section II below through monetary contributions in accordance with the terms and conditions indicated*

thereafter (hereinafter, the “**Series A Warrants**”, and each individually as a “**Series A Warrant**”), delegating the powers necessary for their execution to the Board of Directors (in the understanding that each time powers are delegated in virtue of this agreement, they shall include the power to replace them pursuant to the laws in effect).

**(b) Exclusion of preferential subscription rights**

Given that the elimination of the preferential subscription rights - as provided for in the Board of Directors report which was approved on 16 December 2015 and made available to the shareholders at the time of the call for this meeting - will enable the subscription of the Series A Warrants by LAS Holdings S.à.r.L (hereinafter, “**LAS**”), the Board believes said elimination is beneficial to the company's interests and therefore, proposes to fully eliminate the Company shareholders' preferential subscription rights. The subscription by LAS of the Series A Warrants was an essential condition of the Collaboration Agreement signed with Carbures to support the company's development activities in North America which is considered a key market for the company.

Pursuant to the provisions of articles 414.2 and 417 of the LSC, the Trade Register of Cadiz was asked to appoint an auditor other than the Company's auditor in order to issue a report by an account auditor other than the Company's auditor to offer an opinion related to the directors' report as concerns the contents thereof which was made available to the shareholders at the time this call for a General Meeting of Shareholders was published.

**(c) Issue price of the Series A Warrants**

Prior to the fifteenth calendar day before the third anniversary of the issue date of the Series A Warrants and, in any case, prior to the time of exercise of the Series A Warrants, the holders must pay a sum of 0.01 euros for each New Share they have a right to subscribe as a deferred issue price (the “**Issue Price of the Series A Warrants**”).

The Issue Price of the Series A Warrants must be paid by LAS Holdings to the Company if LAS Holdings wishes to be able to exercise or transfer the Series A Warrants. If LAS Holding does not pay said Issue Price for the Series A Warrants, it may not exercise or transfer the Series A Warrants nor will the Issue Price be due and payable.

**(d) Rights included with the Series A Warrants**

The Series A Warrants shall grant the holders the right but not the obligation to subscribe a sufficient number of New Shares so that, if all of the rights deriving from the Series A Warrants are exercised, the number of New Shares represent 5% of the share capital in the Company as of the date the proposal referred to in this resolution is approved by the Board of Directors; in other words, 16,468,254.28 euros, represented by 96,872,084 ordinary shares with a face value of 0.17 euros each.

To this end, the Series A Warrants will grant the holders the right but not the obligation to immediately subscribe New Shares up to a maximum of 4,843,604 New Shares, corresponding to a maximum capital increase sum of 8,185,690.76 euros; 823,412.68 euros of which would correspond to the face value and 7,362,278.08 euros to the issue premium.

**(e) Subscription Price of the Company's ordinary shares in exercise of the Series A Warrants. Adjustments**

*The subscription price of the Company's ordinary shares in exercise of the rights included in the Series A Warrants proposed shall be fixed and total 1.69 euros per share (the “**Share Subscription Price**”) with 0.17 euros corresponding to the face value and 1.52 euros to the issue premium.*

*In determining the Share Subscription Price, the subscription price of the Company's shares in the capital increase agreed by the Company at the General Meeting of Shareholders on 14 August 2015, was considered and then corrected based on the commitments assumed by LAS under the Collaboration Agreement.*

*The Share Subscription Price shall be subject to the anti-dilution mechanisms outlined below and will be modified pursuant to the following rules so as not to lead to an increase in the total price of subscription.*

*If the Company agrees to a distribution of dividends in the form of released shares, an increase the share capital chargeable to the reserves, or reduce or increase the face value of the shares without altering the share capital figure (such as would be the case in a split or counter-split) or in the event of a capital decrease due to losses, the Share Subscription Price (and to the extent necessary, the number of New Shares giving rise to the right to subscribe to the Series A Warrants will be adjusted in accordance with the formula below (effective as of the date of execution of the resolution) so that, in application of the new Share Subscription Price, the Series A Warrants will continue to give the right to subscribe New Shares representing 5% of the company's share capital in accordance with the terms established with the issuance of the Series A Warrants).*

$$P2 = P1 \times (N1/N2)$$

*Where:*

*P2: represents the Share Subscription Price resulting from the adjustment;*

*P1: represents the Share Subscription Price prior to the adjustment, which will initially be 1.69 euros per share;*

*N1: represents the number of shares in circulation prior to the adjustment;*

*N2: represents the number of shares in circulation following the adjustment.*

*The adjustments that must be done will be calculated by the Company as previously agreed and should be accepted by the holder of the Series A Warrants unless there is a manifest calculation error. Any such error should be communicated by the holder within five (5) business days of the date on which the adjustments are communicated to it by the Company. If the adjustment proposed is not challenged within the period of five (5) business days following the date of notification of the adjustment, it shall be understood as approved and will be applied. The adjustments previously established may be applied as often as said situations occur and to the Subscription Prices of the Shares previously modified.*

*The Share Subscription Prices resulting from the application of the previous formulas must be rounded down in all cases to the closest euro cent. The excess resulting from rounding shall be taken into consideration when making later adjustments to the minimum or maximum Share Subscription Price, if they exist.*

*The Share Subscription Price may not under any circumstance be reduced to such extent that the Company's New Shares are issued below the face value (currently, 0.17 euros). Under no circumstance may the Subscription Price of the Shares be adjusted up above 1.69 euros per share (except in the case of a counter-split to the extent that the share capital figure does not vary and the number of New Shares that may be subscribed as per the Series A Warrants represents 5% of the Company's current share capital as of the date the proposal referred to in this agreement is approved by the Board of Directors).*

***(f) Compliance with the Conditions of Exercise, maximum period of exercise and extinguishment of the Series A Warrants***

*(A) Conditions of Exercise:*

*LAS must:*

- 1. Pay the entire Issue Price of the Series A Warrants to the Company;*
- 2. Declare the completion of the services subject of the Collaboration Agreement as concerns the issuance of the Series A Warrants.*

*For this purpose, a certificate issued by the LAS administrative body declaring that said commitments have been provided signed before a notary and with the corresponding apostille shall be sufficient.*

*(the conditions established in sections (1) and (2) above, the “**Conditions of Exercise**” and must be completed prior to the fifteenth calendar day prior to the third anniversary of the issuance date of the Series A Warrants).*

*If the Company disputes the effective compliance by LAS of the Conditions of Exercise, the Company and LAS shall submit said dispute to the jurisdiction of the courts of England which will issue a decision pursuant to English law and in accordance with the provisions of the Collaboration Agreement.*

*(B) Deadline for exercise and extinguishment:*

*The Series A Warrants may be exercised by the holders fully or partially at any time as of full compliance with the Conditions of Exercise and up to a maximum of three (3) years as of the date of issuance thereof.*

*The exercise of the rights included in the Series A Warrants by the holders shall be an individual decision of each one of them and will be irrevocable once communicated to the Company.*

*Any request to exercise the Warrants must be made ten (10) days prior to the exercise date and must be accompanied by a bank certificate proving the availability of the funds in a sufficient quantity to subscribe the shares to which the Series A Warrants exercised grant rights.*

*Therefore, the various rights under the Warrants will be extinguished (i) due to their full exercise, (ii) if the Conditions of Exercise are not fulfilled prior to the fifteenth calendar day prior to the third anniversary of the date of issuance of the Series A Warrants or (iii) if the rights included in them are not exercised within three (3) years as indicated.*

**(f) Means of representation of Series A Warrants**

*The Series A Warrants shall be represented by means of registered securities and the Company must keep a record of the holders which shall include the identity of the holder, the total or partial exercise of the rights associated with the Series A Warrants and, as a result, the number of New Shares issued chargeable to them.*

**(g) Recipients and holders of Series A Warrants**

*The Warrants shall be exclusively subscribed by LAS to which the Company's administrative body will deliver the corresponding securities.*

*Notwithstanding the foregoing, the Series A Warrants will be transferable in the manner outlined in section III (h) below meaning the entity exercising the right included in the Series A Warrants in the end may be different from LAS.*

**(h) Transferability of Series A Warrants**

*Once the Conditions of Exercise of the Series A Warrants have been met, said Series A Warrants will be freely transferable to qualified investors and may be partially transferred. Until such time, the Series A Warrants may not be transferred to any third party.*

*The transfer of the Series A Warrants, if applicable, must be communicated to the Company which will note the new holder in the records and, where applicable, will cancel, replace and issue the corresponding multiple registered securities in favour of the new holders (and to the original holder in the event of a partial assignment).*

**(i) Non-listing of Warrants**

*The Series A Warrants shall not be admitted for listing in any secondary market.*

**(k) Issuance guarantees**

*The Series A Warrants are not guaranteed.*

**(l) Modification of the terms and conditions relating to the rights included in the Series A Warrants**

*The modification of the terms and conditions of the Series A Warrants (including subscription rights) will require a resolution by the Company as well as by all of the holders thereof.*

*Nonetheless, any modification or variation in the terms and conditions of the Series A Warrants, whether formal, minor or technical (which does not negatively affect the rights of the holders of the Series A Warrants) or to correct a manifest error may be done directly by the Company following consultation with the holders.*

**(m) Law applicable to the Series A Warrants and Jurisdiction**

*The Series A Warrants shall be governed by common Spanish law. In subscribing the Series A Warrants, the holders agree that any dispute between the holder of a Series A Warrant and the Company shall be submitted to the jurisdiction of the courts of the city of Madrid unless otherwise indicated in section (e) above in relation to the Conditions of Exercise.*

## II. CAPITAL INCREASE IN THE SUM NECESSARY TO COVER THE SERIES A WARRANTS

### (a) Monetary capital increase

*It is hereby agreed to increase the Company's share capital one or more times (depending on when the rights included in the Series A Warrants are exercised) by the sum necessary to cover the exercise of the rights included in the Series A Warrants. This increase may total a maximum amount of the planned increased capital of 8,185,690.76 euros by means of the issuance of up to a maximum of 4,843,604 New Shares with a face value of 0.17 euros each and an issuance premium of 1.52 euros with incomplete subscription expected.*

*Notwithstanding the foregoing, the maximum number of New Shares to be issued is subject to possible modifications resulting from potential adjustments to the Share Subscription Price.*

*Pursuant to article 297.1 a) LSC, it is hereby agreed to delegate the power to the Board of Directors (with the understanding each time powers are delegated in virtue of this agreement that they include the express power to be substituted pursuant to current laws) to fully or partially execute, as applicable, the Capital Increase needed to cover the rights included in the Series A Warrants by means of the issuance of new ordinary shares newly issued by the Company pursuant to the characteristics outlined below.*

### (i) Sum of the Capital Increase

*Without prejudice to the adjustments to the Subscription Price of the Shares provided for in section I (d) above, the face value of the Capital Increase shall be a maximum of 823,412.68 euros which will be generated by the issuance and circulation of a total maximum number of 4,843,604 new shares (the "**New Shares**").*

*The New Shares shall be issued at a face value equal to 0.17 euros (the "**Face Value**") plus an issue premium of 1.52 euros and shall be of the same class and series as those currently existing.*

*As a result of the foregoing, the Capital Increase shall be an effective maximum amount of 8,185,690.76 euros (the "**Capital Increase Sum**").*

### (ii) Subscription Price of the Shares in exercise of the Series A Warrants

*The Subscription Price of the Shares proposed shall be fixed and total 1.69 euros with a face value of 0.17 euros and an issue premium of 1.52 euros. However, this will be exclusively adjusted in the circumstances and under the terms described in section I (d) above.*

### (iii) Rights of the New Shares

*The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.*

### (iv) Recipients of the Capital Increase

*The Capital Increase will be exclusively directed at the holders of the Series A Warrants at any given time, initially LAS.*

*(v) Counter value and payment of the Capital Increase*

*The Capital Increase will be fully paid up by means of monetary contributions.*

*(vi) Non-existence of preferential subscription rights*

*Given that the capital increase will be completed as a result of the exercise of the Series A Warrants - which were issued with an exclusion of any preferential subscription rights in accordance with the provisions of articles 414 and 417.2 of LSC - and their conversion into New Shares, there is no preferential subscription right for shareholders pursuant to the provisions of article 304.2 LSC.*

*(vii) Issuance of New Shares*

*Within the maximum period of fifteen (15) business days after the end of each calendar month in which notifications are received relating to the exercise of the rights included in the Series A Warrants, the Board of Directors (or whomever is delegated to do so by this body) will perform and complete all of the corporate actions and administrative procedures necessary to issue the new ordinary shares in the Company.*

*The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.*

*(viii) The listing of shares*

*It is hereby agreed to request listing of the ordinary shares issued by the Company upon the exercise of the Series A Warrants on the Spanish Alternative Stock Market.*

*It is hereby expressly stated that if delisting of the Company's stock is later requested, it will be adopted with the same formalities applicable and, in such case, the interests of the shareholders opposing the delisting agreement or do not vote for it will be guaranteed.*

*(ix) Incomplete subscription*

*For the purposes provided for in article 311.1 LSC, the incomplete subscription of the Capital Increase is expressly planned. As a result, the Capital Increase may be declared closed at the resulting subscribed and paid up sum if the new ordinary shares in the Company are not fully subscribed.*

*(x) Modification of article 5 of the Company's Articles of Association*

*As a result of the Capital Increase, it is hereby agreed to modify article 5 of the Articles of Association as well as to delegate the final wording to the Board of Directors pursuant to the provisions of section IV below once the subscription and payment of the Capital Increase are verified.*

### **III. DELEGATION OF POWERS**

*Without prejudice to the delegation of specific powers contained in the sections above, it is hereby agreed to empower the Board of Directors to the extent required by law and with*

*express powers of substitution through any of its members so that any of them may indistinctively execute this resolution and in particular but not limited to:*

- (i) Expand and write this resolution, establishing the date or dates of issuance, the terms and conditions of issuance for all matters not provided for in this resolution and to complete any actions necessary to improve the execution and transaction related to the delivery and functioning of the Series A Warrants including, as applicable, any publications that may be necessary.*
- (ii) Appear before a notary and grant the corresponding public instrument issuing the Series A Warrants subject of this resolution, and request registration of said public instrument with the Trade Register as well as make the required issue notices and grant any public or private documents necessary to declare the close of the subscription of the Series A Warrants.*
- (iii) Execute the resolution to increase the Company's share capital by issuing and putting into circulation in one or several instalments the ordinary shares representing said share capital necessary to effectively exercise the rights of the holders of Series A Warrants and re-word the article in the Company's Articles of Association relating to its share capital, voiding the part of said capital increase not necessary due to the exercise of the rights of the holders of Series A Warrants; and request the listing of the ordinary shares issued on the Spanish Alternative Stock Market.*
- (iv) Write, sign and present, where applicable, the Informational Document and as many supplements thereof which are necessary to the CNMV, the managing enterprise Sociedad Rectora del Mercado Alternativo Bursátil or any other supervisory authority necessary in relation to the issuance and listing of the new shares issued as result of the exercise of the Series A Warrants, assuming all liability for them as well as all other documents and information required pursuant to the provisions of applicable regulations and the Spanish Alternative Stock Market standards. Moreover, complete any action, statement or procedure required with the Spanish Alternative Stock Market, CNMV, Iberclear or any other organisation, entity, or public or private Spanish or foreign register and complete all of the necessary procedures on behalf of the Company so that the new ordinary shares resulting from the capital increase may be registered with the Iberclear accounting registers and listed on the Spanish Alternative Stock Market.*
- (v) Negotiate and sign as well as submit for referendum or confirm, as appropriate, the contracts required with the financial institutions which, as applicable, intervene in the issuance and placement of the Series A Warrants under the terms deemed most suitable.*
- (vi) Correct, clarify, interpret, specify or complement the resolutions adopted by the General Meeting of Shareholders or any others mentioned in any public instruments or documents granted in execution thereof and, in particular, any defects, omissions or errors in matter or form that would prevent access to the resolutions or the consequences thereof with the Trade Register, Official CNMV (Spanish National Securities Market Commission) Registers or any others.*
- (vii) Grant any public or private documents necessary or appropriate on behalf of the Company for the issuance of the Series A Warrants subject of this resolution and, in*

*general, complete as many procedures as are necessary for the execution of this resolution and the effective circulation of the Series A Warrants including signing the bearer's certificates representing the Series A Warrants.”*

This report was prepared and approved on 16 December 2015.

**NON-BOARD MEMBER SECRETARY**

**THE CHAIRMAN**

---

**Mr Guillermo Medina Ors**

---

**Mr Rafael Contreras Chamorro**

**A1 & GAVIA AUVAL AUDITORES, S.L.P.U.**

Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal (Madrid)

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?h id =S2058>

Mobile phone of director/auditor (Angel Varela) +34 655 320 656

email for director/auditor (Angel Varela) [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es)

Original copy 1 of 1 for the TRADE REGISTER OF CADIZ and "CARBURES EUROPE SA"

17 December 2015

FILE NO. 24/2015 OF 15/09/2015 OF THE TRADE REGISTER OF CADIZ (see page 9 of 9 of this SPECIAL REPORT)

**"CARBURES EUROPE SA" (Spanish Business Tax ID A11570462) (1)**

**SPECIAL REPORT ON THE ISSUANCE OF CONVERTIBLE BONDS AND/OR WARRANTS FOR SHARES IN THE TRADING COMPANY "CARBURES EUROPE SA" (SPANISH TAX ID A11570462) PURSUANT TO THE PROVISIONS OF ARTICLE 414. AND 417 OF SPANISH ROYAL LEGISLATIVE DECREE 1/2010, OF 2 JULY, APPROVING THE MODIFIED TEXT OF THE SPANISH CORPORATE ENTERPRISES ACT.**

(1)

<b>Name:</b>	<b>CARBURES EUROPE SA</b>
<b>Start of operations:</b>	28/11/2002
<b>Registered address:</b>	BAY OF CADIZ TECHNOLOGY PARK, CARRETERA DE SANLÚCAR DE BARRAMEDA KM 5,5, CALLE INBENIERIA S/N, PARCELA 4 PUERTO DE SANTA MARIA (EL) 11500 - CADIZ
<b>Duration:</b>	Indefinite
<b>Tax ID:</b>	<b>A11570462</b>
<b>Registration details:</b>	Page CA-24626 Volume 1919 Folio 99
<b>Corporate Purpose:</b>	The Company's corporate purpose includes the provision of services and the supply of products through knowledge management, the use of cutting edge technology and ongoing innovation processes to companies in industrial and non-industrial sectors relating to the manufacture of carbon fibre composites for structural and non-structural elements as well as the provision of consulting and engineering services.
<b>Governing structure:</b>	Board of directors
<b>Domains:</b>	<a href="http://www.carbures.com">www.carbures.com</a>
<b>Most recent accounts deposited:</b>	2014
<b>ENTRIES PENDING:</b>	There are entries pending
<b>SPECIAL SITUATIONS:</b>	No special situations
<i>Information updated as of 17/12/2015</i>	

A1 & GAVIA AUVAL AUDITORES, S.L.P.U.

Central office: Avenida Salvador Sánchez Frascuelo, 20 – 28411 (Mozalzarzal) Madrid – Tel. +34 91 189 82 28

FAX: 91 142 67 03 Spanish Tax ID: B86073996 e-mail: [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es) [av@gavia-auval.com](mailto:av@gavia-auval.com)

Registered with the Trade Register of Madrid in Volume: 28318, Book: 0, Folio: 43, Section: 8, Page: M 510042

**A1 & GAVIA AUVAL AUDITORES, S.L.P.U.**

Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal (Madrid)

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?h id =S2058>

*Mobile phone of director/auditor (Angel Varela) +34 655 320 656*

*email for director/auditor (Angel Varela) [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es)*

*Original copy 1 of 1 for the TRADE REGISTER OF CADIZ and "CARBURES EUROPE SA"*

**CARBURES EUROPE SA**

**BAY OF CADIZ TECHNOLOGY PARK,  
CARRETERA DE SANLÚCAR DE BARRAMEDA KM 5,5,  
CALLE INGENIERIA S/N, PARCELA 4  
PUERTO DE SANTA MARIA (EL)  
11500-CADIZ**

**SPECIAL REPORT ON THE ISSUANCE OF CONVERTIBLE BONDS AND/OR WARRANTS FOR SHARES IN "CARBURES EUROPE SA" (SPANISH TAX ID A11570462) PURSUANT TO THE PROVISIONS OF ARTICLE 414.2 AND 417.2 B) OF THE SPANISH CORPORATE ENTERPRISES ACT.**

**To the General Meeting of Shareholders of "CARBURES EUROPE SA" (Spanish Tax ID A11570462) and the TRADE REGISTER OF CADIZ (FILE No. 24/2015 OF 15/09/2015)**

We have issued this Special Report in accordance with the task commissioned by "CARBURES EUROPE SA" (SPANISH TAX ID A11570462) and by designation of the TRADE REGISTER OF CADIZ which appointed "A1 & GAVIA AUVAL AUDITOR ES, S.L.P.U." as the account auditor on 15 September 2015 for the purposes of preparing the report provided for in article 414.2 and 417.2 b) of the Spanish Corporate Enterprises Act.

For the purposes provided for in article 414.2 and 417 of Spanish Royal Legislative Decree 1/2010, of 2 July, which approves the modified text of the Corporate Enterprises Act, hereinafter "TRLSC" and in accordance with the task commissioned by "CARBURES EUROPE SA" (Spanish Tax ID A11570462) by designation of the TRADE REGISTER OF CADIZ on 15/09/2015, under file number 24/2015, we hereby issue this **special report as provided for in article 414 and 417 of Spanish Royal Legislative Decree 1/2010, of 2 July, which approves the modified text of the Spanish Corporate Enterprises Act in relation to CARBURES EUROPE SA" (Spanish Tax ID A11570462).**

A1 & GAVIA AUVAL AUDITORES, S.L.P.U.

Central office: Avenida Salvador Sánchez Frascuelo, 20 – 28411 (Mozalzarzal) Madrid – Tel. +34 91 189 82 28

FAX: 91 142 67 03 Spanish Tax ID: B86073996 e-mail: [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es) [av@gavia-auval.com](mailto:av@gavia-auval.com)

Registered with the Trade Register of Madrid in Volume: 28318, Book: 0, Folio: 43, Section: 8, Page: M 510042

**A1 & GAVIA AUVAL AUDITORES, S.L.P.U.**

Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal (Madrid)

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?h id =S2058>

Mobile phone of director/auditor (Angel Varela) +34 655 320 656

email for director/auditor (Angel Varela) [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es)

Original copy 1 of 1 for the TRADE REGISTER OF CADIZ and "CARBURES EUROPE SA"

**1. BACKGROUND**

"CARBURES EUROPE SA" (Spanish Tax ID A11570462) plans to issue series A warrants with an exclusion of preferential subscription rights and the corresponding monetary capital increase, with an exclusion of preferential subscription rights in order to cover the series A warrants as established in the Directors' Report attached to this Special Report.

The description of the transaction and the characteristics of the issuance are outlined in the Directors' Report attached to this Special Report.

**2. OBJECTIVE OF THE ASSIGNMENT AND PROCEDURES APPLIED**

The purpose of the assignment leading to the issuance of this Special Report was:

1. To verify whether the Directors' Report contains the information required in the Technical Standard on the preparation of special reports relating to the issuance of convertible bonds as provided for in article 292 of Spanish Royal Legislative Decree 1564/1989, of 22 December, which approves the modified text of the Spanish Corporate Enterprises Act (valid until 1 September 2010) which was replaced by article 414 of the "TRLSC".
2. To issue a technical opinion on the data provided in the Directors' Report and verify that the data are reasonable.

This Special Report does not certify the issue or conversion price of the bonds/warrants.

With the foregoing scope, the procedures used to perform this task are outlined below.

a) The following documentation was obtained and analysed:

- The application for the appointment of an account auditor submitted to the TRADE REGISTER OF CADIZ to prepare this Special Report.
- A report written by the Directors.
- The 2014 audited annual accounts of "CARBURES EUROPE SA" (Spanish Tax ID A11570462).
- The 2014 consolidated annual accounts of "CARBURES EUROPE SA" (Spanish Tax ID A11570462).
- The mid-year financial statements as of 30/09/2015 of "CARBURES EUROPE SA" (Spanish Tax ID A11570462).

A1 & GAVIA AUVAL AUDITORES, S.L.P.U.

Central office: Avenida Salvador Sánchez Frascuelo, 20 – 28411 (Mozalzarzal) Madrid – Tel. +34 91 189 82 28

FAX: 91 142 67 03 Spanish Tax ID: B86073996 e-mail: [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es) [av@gavia-auval.com](mailto:av@gavia-auval.com)

Registered with the Trade Register of Madrid in Volume: 28318, Book: 0, Folio: 43, Section: 8, Page: M 510042

**A1 & GAVIA AUVAL AUDITORES, S.L.P.U.**

Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal (Madrid)

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?h id =S2058>

*Mobile phone of director/auditor (Angel Varela) +34 655 320 656*

*email for director/auditor (Angel Varela) [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es)*

*Original copy 1 of 1 for the TRADE REGISTER OF CADIZ and "CARBURES EUROPE SA"*

- The minutes of the General Meetings of Shareholders and the Board of Directors meetings.
  - Confirmation from the "CARBURES EUROPE SA" (Spanish Tax ID A11570462) internal attorneys on:
    - The contingent liabilities and/or significant commitments undertaken between the date of the audited annual accounts and the date of our report.
    - A brief description of all claims, lawsuits or disputes which have not yet been initiated, are being processed or which have been ruled upon from 31 December 2014 to the date of this Special Report.
  - Explanations provided by the Directors and staff of "CARBURES EUROPE SA" (Spanish Tax ID A11570462) and the company's advisers and auditors in relation to the Report drafted by the Directors.
  - Other useful information for the preparation of this Special Report.
- b) Verification that the Directors' Report contains the necessary and sufficient information pursuant to the Technical Standard on the preparation of special reports relating to the issuance of convertible bonds as provided for in article 292 of Spanish Royal Legislative Decree 1564/1989, of 22 December, which approves the modified text of the Spanish Corporate Enterprises Act. (Valid until 1 September 2010), which was replaced by article 414 of the "TRLSC".
- c) Verification of the assessment calculations used by the Directors.
- d) Verification that the issue price, where applicable, of the warrants is not below the face value.
- e) Verification that the conversion price of the bonds / warrants in newly-issued shares is not below the face value of the shares they must be converted into or the theoretical book value as of 31/12/2014 and as of 30/09/2015 (date of the most recent mid-year financial statements available as of the date this report was issued).
- f) Verification that there have not been any significant "subsequent events" which should be included in the Directors' Report.
- g) The obtention of a "letter of intentions" signed by the Managing Director of "CARBURES EUROPE SA" (Spanish Tax ID A11570462) (date of the letter: 16/12/2015; signed by Mr Rafael Jesús Contreras Chamorro).

A1 & GAVIA AUVAL AUDITORES, S.L.P.U.

Central office: Avenida Salvador Sánchez Frascuelo, 20 – 28411 (Mozalzarzal) Madrid – Tel. +34 91 189 82 28

FAX: 91 142 67 03 Spanish Tax ID: B86073996 e-mail: [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es) [av@gavia-auval.com](mailto:av@gavia-auval.com)

Registered with the Trade Register of Madrid in Volume: 28318, Book: 0, Folio: 43, Section: 8, Page: M 510042

**A1 & GAVIA AUVAL AUDITORES, S.L.P.U.**

Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal (Madrid)

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?h id =S2058>

*Mobile phone of director/auditor (Angel Varela) +34 655 320 656*

*email for director/auditor (Angel Varela) [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es)*

*Original copy 1 of 1 for the TRADE REGISTER OF CADIZ and "CARBURES EUROPE SA"*

**3. WARNINGS**

- The interpretation of the requirements of current law applicable to this Special Report and the opinions expressed in this report include objective and subjective factors which imply personal judgement.
- The purpose of our assignment is not to certify the issue or conversion price of the warrants but rather exclusively to state, in application of the Technical Standard on the preparation of special reports relating to the issuance of convertible shares under the situation provided for in article 292 of Spanish Royal Legislative Decree 1564/1989, of 22 December, which approves the modified text of the Spanish Corporate Enterprises Act (Valid until 1 September 2010), which was replaced by article 414.2 of the modified text of the Spanish Corporate Enterprises Act (valid until 1 January 2016), whether the Report written by the Directors of "CARBURES EUROPE SA" (Spanish Tax ID A11570462), contains the information required and outlined in said Standard which includes an explanation of the conversion bases and types.
- The work we have done was not aimed at verifying compliance with any legal or formal obligation and it has been done using the information/documentation provided by "CARBURES EUROPE SA" (Spanish Tax ID A11570462), meaning we do not assume any liability as to the accuracy of the data used in the Directors' Report relating to the issuance of the convertible warrants, other than those included in the purpose of this Special Report.
- This Special Report does not correspond to an audit of the financial statements and, therefore, is not subject to Spanish Law 22/2015, of 20 July, on Account Auditing. Due to the foregoing, the procedures considered necessary by generally accepted professional standards for account auditing were not applied and, therefore, we are not expressing a professional opinion on the financial information provided to us by "CARBURES EUROPE SA" (Spanish Tax ID A11570462) in issuing this Special Report.
- The scope of our work did not include a review or assessment of the legal, regulatory, trade, fiscal, labour or environmental situation of "CARBURES EUROPE SA" (Spanish Tax ID A11570462). Therefore, any risks that may derive from these situations were not considered for this Special Report.
- We are not required to update our report for any "subsequent events" that may occur following the date this Special Report is issued.
- We have considered that all authorisations and registrations, where applicable, that are pertinent to the effectiveness of the planned transaction will be obtained in benefit of said transaction.

A1 & GAVIA AUVAL AUDITORES, S.L.P.U.

Central office: Avenida Salvador Sánchez Frascuelo, 20 – 28411 (Mozalzarzal) Madrid – Tel. +34 91 189 82 28

FAX: 91 142 67 03 Spanish Tax ID: B86073996 e-mail: [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es) [av@gavia-auval.com](mailto:av@gavia-auval.com)

Registered with the Trade Register of Madrid in Volume: 28318, Book: 0, Folio: 43, Section: 8, Page: M 510042

**A1 & GAVIA AUVAL AUDITORES, S.L.P.U.**

Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal (Madrid)

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?h id =S2058>

Mobile phone of director/auditor (Angel Varela) +34 655 320 656

email for director/auditor (Angel Varela) [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es)

Original copy 1 of 1 for the TRADE REGISTER OF CADIZ and "CARBURES EUROPE SA"

- Our work was done independently. We have not advised "CARBURES EUROPE SA" (Spanish Tax ID A11570462) on any aspect of the issuance of the bonds/warrants that may be converted into shares or on any other transaction meaning we have not incurred in any conflict of interest of any kind.
- This Special Report shall not be considered any type of recommendation to the Management of "CARBURES EUROPE SA" (Spanish Tax ID A11570462), its shareholders and/or third parties in relation to the position they should take regarding the assets, shares and obligations of "CARBURES EUROPE SA" (Spanish Tax ID A11570462) and its holding companies.
- As of the date of this Special Report, "CARBURES EUROPE SA" (Spanish Tax ID A11570462), was listed on the SPANISH ALTERNATIVE STOCK MARKET.

**4. CONCLUSION**

**Pursuant to the work done under the scope described in the foregoing paragraphs and considering the existence of material uncertainty as indicated in the independent report of the 2014 annual accounts (consolidated and individual) issued on 30 April 2015, by the auditing company "PricewaterhouseCoopers Auditores, S.L.", on significant doubts about the capacity of "CARBURES EUROPE SA" (Spanish tax ID A11570462) to continue its operations and with the exclusive objective of complying with the requirements established in article 414.2 and 417.2 b) of the "TRLSC", it is our professional independent expert opinion that:**

- a) **The Directors' Report for "CARBURES EUROPE SA" (Spanish Tax ID A11570462) attached** (which is comprised of 17 pages and was signed on 16 December 2015 by Mr Rafael Contreras Chamorro, Chairman of the Board of Directors of "CARBURES EUROPE SA" (Spanish Tax ID A11570462) and Mr Guillermo Medina Ors, Non-Board Member Secretary of the Board of Directors of said company which features our electronic signature in the left margin) on the proposed issuance of series A warrants the corresponding monetary capital increase with the exclusion of preferential subscription rights in order to cover the series A warrants of "CARBURES EUROPE SA" (Spanish Tax ID A11570462), **contains the information required by the Technical Standard relating to the preparation of special reports on the issuance of convertible bonds as provided for in article 292 of Spanish Royal Legislative Decree 1564/1989, of 22 December, which approves the modified text of the Spanish Corporate Enterprises Act. (Valid until 1 September 2010), replaced by article 414 of the modified text of the Spanish Corporate Enterprises Act.**
- b) **The data contained in the Directors' Report are reasonable as they are adequately documented and explained.**
- c) **The conversion ratio for the convertible bonds/warrants to shares in "CARBURES EUROPE SA", with the exclusion of the preferential subscription rights and, where**

A1 & GAVIA AUVAL AUDITORES, S.L.P.U.

Central office: Avenida Salvador Sánchez Frascuelo, 20 – 28411 (Mozalzarzal) Madrid – Tel. +34 91 189 82 28

FAX: 91 142 67 03 Spanish Tax ID: B86073996 e-mail: [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es) [av@gavia-auval.com](mailto:av@gavia-auval.com)

Registered with the Trade Register of Madrid in Volume: 28318, Book: 0, Folio: 43, Section: 8, Page: M 510042

**A1 & GAVIA AUVAL AUDITORES, S.L.P.U.**

Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal (Madrid)

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?h id =S2058>

Mobile phone of director/auditor (Angel Varela) +34 655 320 656

email for director/auditor (Angel Varela) [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es)

Original copy 1 of 1 for the TRADE REGISTER OF CADIZ and "CARBURES EUROPE SA"

**applicable, the adjustment formulas for compensating a possible dilution of the proposed economic participation of the shareholders is ideal considering the current situation of said company.**

This Special Report, which is comprised of nine pages, and the information contained in it was solely written for the purpose provided for in article 414.2 of Spanish Royal Legislative Decree 1/2010, of 2 July, which approves the modified text of the Spanish Corporate Enterprises Act ("T.R.L.S.C.") meaning it must not be used for any other purpose.

Yours faithfully,

17 December 2015

(illegible signature)  
21 DEC 2015

ÁNGEL VARELA PIRES

Economist  
Account Auditor (Register of Account  
Auditors No. 21,258)  
National ID No.: 335348088-A  
Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal - Madrid

*Electronic signature (21/12/2015; see left margin) and handwritten*

Signed Ángel Varela Pires

Sole Director of AI& GAVIA AUVAL AUDITORES, S.L.P.U. and account auditor

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?hid=S2058>

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?hid=21258>

(1) Attached is the designation made by the TRADE REGISTER OF CADIZ for the issuance of this Special Report (see page 9 of 9)

(2) Attached as a separate document is the Directors' Report from "CARBURES EUROPE SA" (Spanish Tax ID A11570462) (comprising 17 pages in total; which feature our electronic signature in the right margin(\*))

(\*) Document 1 of 1. Signed by: ENTIDAD GAVIA AUVAL AUDITORES SLP - Spanish Business Tax ID 86073996 - NAME VARELA PIRES ANGEL - Spanish Tax ID 33534808A, Document 1 of 1. Signed by: ENTIDAD GAVIA AUVAL AUDITORES SLP - Spanish Business Tax ID 86073996 - NAME VARELA PIRES ANGEL - Spanish Tax ID 33534808A, Party issuing the certificate: FNMT Class 2 CA, Serial number of the signing certificate: 1.026.459.717, Date of issue of the signature: 21/12/15 10:35 Integrity code (alg. SHA-256): 9bf63d36d2e08f9bd0fb3a74cda793e5475ad9f80cd849b5a2d68548b869b2d0 Total pages: 17 pages, Printable version with signature information.

A1 & GAVIA AUVAL AUDITORES, S.L.P.U.

Central office: Avenida Salvador Sánchez Frascuelo, 20 – 28411 (Mozalzarzal) Madrid – Tel. +34 91 189 82 28

FAX: 91 142 67 03 Spanish Tax ID: B86073996 e-mail: [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es) [av@gavia-auval.com](mailto:av@gavia-auval.com)

Registered with the Trade Register of Madrid in Volume: 28318, Book: 0, Folio: 43, Section: 8, Page: M 510042

**A1 & GAVIA AUVAL AUDITORES, S.L.P.U.**

Avda. Salvador Sánchez Frascuelo, 20  
28411 Moralzarzal (Madrid)

<http://www.icac.meh.es/Consultas/Roac/ficha.aspx?h id =S2058>

*Mobile phone of director/auditor (Angel Varela) +34 655 320 656*

*email for director/auditor (Angel Varela) [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es)*

*Original copy 1 of 1 for the TRADE REGISTER OF CADIZ and "CARBURES EUROPE SA"*

**FILE NO. 24/2015 OF 15/09/2015 OF THE TRADE REGISTER OF CADIZ:**

**TRADE REGISTER  
AND PROPERTY REGISTER  
CADIZ**

**AUDITORS**

***File No. 24/2015***

***Company: "CARBURES EUROPE S.A."***

***Appointment of an Auditor***

In view of the background information on record in the file indicated at the beginning of this document, I have decided to designate the company A1 & GAVIA AUVAL AUDITORES SLP, with a registered address in Cadiz at calle San José, 25, bajo, CP 11003 as the Auditor for the purposes of drafting the report provided for in article 414 and 417 of the Spanish Corporate Enterprises Act as requested in an application signed in El Puerto de Santa María by Mr Tomás Pelayo Muñoz, non-Board Member Secretary of the company Carbures Europe SA, with approval of the Chairman of the Board of Directors, the company Rafcom Economist SL, represented by Mr Rafael Contreras Chamorro, which was submitted to this Register on 14 of this month, referring to an additional transaction related to the one completed in the appointment indicated in file 23/2015.

Compensation criteria for this assessment is hereby established as the result of applying the legally established professional duties in effect.

Cádiz, 15 September 2015

Stamp [TRADE REGISTER OF CADIZ]  
(illegible signature)

A1 & GAVIA AUVAL AUDITORES, S.L.P.U.

Central office: Avenida Salvador Sánchez Frascuelo, 20 – 28411 (Mozalzarzal) Madrid – Tel. +34 91 189 82 28

FAX: 91 142 67 03 Spanish Tax ID: B86073996 e-mail: [avarelap@avarpauditores.es](mailto:avarelap@avarpauditores.es) [av@gavia-auval.com](mailto:av@gavia-auval.com)

Registered with the Trade Register of Madrid in Volume: 28318, Book: 0, Folio: 43, Section: 8, Page: M 510042

**REPORT PRESENTED BY THE BOARD OF DIRECTORS OF CARBURES EUROPE, S.A. IN RELATION TO THE PROPOSED ISSUANCE OF SERIES A WARRANTS AND THE CORRESPONDING MONETARY CAPITAL INCREASE IN ORDER TO COVER THE SERIES A WARRANTS INCLUDED IN ITEM ONE ON THE AGENDA OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

**I. PURPOSE OF THE REPORT**

The Board of Directors of Carbures Europe, S.A. ("**Carbures**" or the "**Company**") agreed at its meeting on 16 December 2015 to call an Extraordinary General Meeting of Shareholders and submit the approval of the issuance of warrants and the corresponding capital increase to cover said warrants to said General Meeting under Item One of the Agenda.

Pursuant to the provisions of article 286 of the Spanish Corporate Enterprises Act ("**LSC**"), in relation to articles 297.1 a) and 417 of the LSC and the concordant provisions of the Trade Register Regulations and, thus, article 414.2 of the LSC, the members of the Carbures Board of Directors have formulated this report. The purpose is to explain and justify the Carbures warrant issuance transaction with an exclusion of the preferential subscription rights of the current Company shareholders (the "**Issuance**") which will give the right to subscribe newly-issued ordinary shares in the Company (the "**New Shares**"), the corresponding monetary capital increase (the "**Capital Increase**") by the sum necessary which shall occur if the rights included in said warrants are actually exercised. For all matters not agreed at the Meeting of Shareholders, the Board of Directors is delegated the necessary powers to execute the Issuance as soon as the conditions to which it is subject have been fulfilled as well as the Capital Increase.

Below is an explanation for all shareholders of the transaction proposed to the Company's General Meeting of Shareholders and the reasons justifying the Issuance.

**II. DESCRIPTION, CONTEXT OF THE ISSUANCE AND REASONS FOR THE TRANSACTION**

The Issuance, the approval of which is proposed to the General Meeting of Shareholders in virtue of the proposed resolution referred to in this directors' report, is part of the collaboration agreement (the "**Collaboration Agreement**") signed by and between the Company and LAS Holdings S.à.r.L. ("**LAS**") –a Luxembourg-based company pertaining to the Wilbur Ross Group– dated 16 December 2015 in virtue of which the latter undertakes to provide the Company with support to facilitate its introduction in the automotive market and promote its activities (the "**Transaction**"). As compensation for the services to be provided by LAS under the Collaboration Agreement, the Company will complete the Issuance which will be fully and exclusively subscribed by LAS.

In the opinion of the Company directors, said Agreement and the issuance of the warrants will contribute to the development of the Company's business plan, considering the market in which it operates and the current economic-financial conditions.

In virtue of this agreement, LAS shall have the right to subscribe warrants issued by the Company which will grant it with the right to subscribe shares representing 5% of the Company's share capital considering for this purpose only the Carbures share capital as of the date the proposal referred to in this report is approved by the Board of Directors; in other words, €16,486,254.28, represented by 96,872,084 shares.

### III. ISSUANCE AND CHARACTERISTICS OF THE WARRANTS

In execution of resolution One on the Agenda referred to in this report, Carbures warrants will be issued if approved by the General Meeting of Shareholders, with the resulting exclusion of the preferential subscription rights corresponding to the current shareholders, which shall give the holders the right to subscribe New Shares in accordance with the terms and conditions indicated below (hereinafter the “**Series A Warrants**”, and individually as a “Warrant”).

#### (a) Details of the Issuing Entity

The issuing entity is Carbures Europe, S.A, which has its registered address in El Puerto de Santa María (Cádiz), at calle Ingeniería nº 4.

It was constituted for an indefinite lifetime under the name Easy Industrial Solutions, S.L., in a public instrument authorised before the Notary of Cadiz, Mr Federico Linares Castrillón, on 28 November 2002, and recorded under the number 3580 of the notary records. It was modified by other documents and the name was changed to the current one and it was transformed into a public limited company in a public instrument authorised by the Notary of El Puerto de Santa María, Mr Pantaleón Aranda García del Castillo, on 28 September 2011, and recorded under the number 943 of the notary records. It is registered with the Trade Register of Cadiz in volume 1594, folio 97, section 8, page CA- 2462.

The Company currently has a share capital of €16,468,254.28, divided into 96,872,084 shares with a face value of €0.17 each, of the same series and class, which are represented by account entries. The party responsible for keeping the account records is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A: (IBERCLEAR). The Company's shares are listed in the Spanish Alternative Stock Market.

For the purposes of this report, the share capital figure taken into consideration shall be €16,468,254.287, divided into 96,872,084 shares with a face value of €0.17 euros each.

Pursuant to the provisions of the articles of association, the Carbures corporate purpose consists of:

*“The Company's corporate purpose includes the provision of services and the supply of products through knowledge management, the use of cutting edge technology and ongoing innovation processes to companies in industrial and non-industrial sectors relating to the manufacture of carbon fibre composites for structural and non-structural elements as well as the provision of consulting and engineering services.*

*Excluded from the corporate purpose are any activities subject to specific regulations. If any of the activities included in the corporate purpose were to be reserved or are reserved by Law to a certain professional category, they must be performed by a person holding the required certification with the corporate purpose involving the brokerage or coordination of such services.*

*The activities included in the corporate purpose may be fully or partially developed indirectly, by means of participation in other Companies with an identical or similar purpose.”*

**(b) Issue price of the Series A Warrants**

The Series A Warrants shall be issued as compensation for the support services to be provided by LAS to Carbures under the Collaboration Agreement in order to facilitate its introduction in the automotive market and promote its activities.

Notwithstanding the foregoing, prior to the fifteenth calendar day before the third anniversary of the issue date of the Series A Warrants and, in any case, prior to the time of exercise of the Series A Warrants, the holders must pay a sum of 0.01 euros for each New Share they have a right to subscribe as a deferred issue price (the “**Issue Price of the Series A Warrants**”).

Therefore, the Issue Price of the Series A Warrants must be paid by LAS Holdings to the Company if LAS Holdings wishes to be able to exercise or transfer the Series A Warrants. If LAS Holding does not pay said Issue Price for the Series A Warrants, it may not exercise or transfer the Series A Warrants nor will the Issue Price of the Series A Warrants be due and payable.

**(c) Rights included with the Series A Warrants**

The Series A Warrants will grant the holders the right, but not the obligation, to subscribe a sufficient number of New Shares so, if the rights deriving from the Series A Warrants are fully exercised, the number of New Shares represents 5% of the Company's current share capital. For the purposes of calculating the 5%, only the Company's share capital as of the date the proposal referred to in this report is approved by the Board of Directors will be considered; in other words, 16,468,254.28 euros representing 96,872,084 ordinary shares with a face value of 0.17 euros each.

To this end, the Series A Warrants will grant the holders the right but not the obligation to immediately subscribe New Shares up to a maximum of 4,843,604 New Shares, corresponding to a maximum capital increase sum of 8,185,690.76 euros; 823,412.68 euros of which would correspond to the face value and 7,362,278.08 euros to the issue premium.

**(d) Subscription Price of the New Shares in exercise of the Series A Warrants. Adjustments**

The subscription price of the New Shares in exercise of the rights included in the Series A Warrants proposed shall be fixed and total 1.69 euros per share (the “**Share Subscription Price**”) with 0.17 euros corresponding to the face value and 1.52 euros to the issue premium.

In determining the Share Subscription Price, the subscription price of the Company's shares in the capital increase agreed by the Company at the General Meeting of Shareholders on 14 August 2015, was considered and then corrected based on the commitments assumed by LAS under the Collaboration Agreement.

The Share Subscription Price shall be subject to the anti-dilution mechanisms outlined below and will be modified pursuant to the following rules so as not to lead to an increase in the total price of subscription.

If the Company agrees to a distribution of dividends in the form of released shares, an increase the share capital chargeable to the reserves, or reduce or increase the face value of the shares without altering the share capital figure (such as would be the case in a split or counter-split) or in the event of a capital decrease due to losses, the Share Subscription Price (and to the extent necessary, the number of New Shares giving rise to the right to subscribe to the Series A Warrants will be adjusted in accordance with the formula below (effective as of the date of

execution of the resolution) so that, in application of the new Share Subscription Price, the Series A Warrants will continue to give the right to subscribe New Shares representing 5% of the company's share capital in accordance with the terms established with the issuance of the Series A Warrants).

$$P2 = P1 \times (N1/N2)$$

Where:

P2: represents the Share Subscription Price resulting from the adjustment;

P1: represents the Share Subscription Price prior to the adjustment, which will initially be 1.69 euros per share;

N1: represents the number of shares in circulation prior to the adjustment;

N2: represents the number of shares in circulation following the adjustment.

The adjustments that must be done will be calculated by the Company as previously agreed and should be accepted by the holder of the Series A Warrants unless there is a manifest calculation error. Any such error should be communicated by the holder within five (5) business days of the date on which the adjustments are communicated to it by the Company. If the adjustment proposed is not challenged within the period of five (5) business days following the date of notification of the adjustment, it shall be understood as approved and will be applied. The adjustments previously established may be applied as often as said situations occur and to the Subscription Prices of the Shares previously modified.

The Share Subscription Prices resulting from the application of the previous formulas must be rounded down in all cases to the closest euro cent. The excess resulting from rounding shall be taken into consideration when making later adjustments to the minimum or maximum Share Subscription Price, if they exist.

The Share Subscription Price may not under any circumstance be reduced to such extent that the Company's New Shares are issued below the face value (currently, 0.17 euros). Under no circumstance may the Subscription Price of the Shares be adjusted up above 1.69 euros per share (except in the case of a counter-split to the extent that the share capital figure does not vary and the number of New Shares that may be subscribed as per the Series A Warrants represents 5% of the Company's current share capital).

**(e) Compliance with the Conditions of Exercise, maximum period of exercise and extinguishment of the Series A Warrants**

(A) Conditions of Exercise:

LAS must:

1. Pay the entire Issue Price of the Series A Warrants to the Company.
2. Declare the completion of the services subject of the Collaboration Agreement as concerns the issuance of the Series A Warrants.

For this purpose, a certificate issued by the LAS administrative body declaring that said commitments have been provided signed before a notary and with the corresponding apostille shall be sufficient.

(the conditions established in sections (1) and (2) above, the “**Conditions of Exercise**” and must be completed prior to the fifteenth calendar day prior to the third anniversary of the issuance date of the Series A Warrants and, in any case, prior to the time of exercise of the Series A Warrants).

If the Company disputes the effective compliance by LAS of the Conditions of Exercise, the Company and LAS shall submit said dispute to the jurisdiction of the courts of England which will issue a decision pursuant to English law and in accordance with the provisions of the Collaboration Agreement.

(B) **Deadline for exercise and extinguishment:**

The Series A Warrants may be exercised by the holders fully or partially at any time as of full compliance with the Conditions of Exercise and up to a maximum of three (3) years as of the date of issuance thereof.

The exercise of the rights included in the Series A Warrants by the holders shall be an individual decision of each one of them and will be irrevocable once communicated to the Company.

Any request to exercise the Series A Warrants must be made ten (10) days prior to the exercise date and must be accompanied by a bank certificate proving the availability of the funds in a sufficient quantity to subscribe the shares to which the Series A Warrants exercised grant rights.

Therefore, the various rights under the Series A Warrants will be extinguished (i) due to their full exercise, (ii) if the Conditions of Exercise are not fulfilled prior to the fifteenth calendar day prior to the third anniversary of the date of issuance of the Series A Warrants or (iii) if the rights included in them are not exercised within three (3) years as indicated.

**(f) Means of representation of Warrants**

The Series A Warrants shall be represented by means of registered securities and the Company must keep a record of the holders which shall include the identity of the holder, the total or partial exercise of the rights associated with the Series A Warrants and, as a result, the number of New Shares issued chargeable to them.

**(g) Recipients and holders of Series A Warrants**

The Series A Warrants shall be exclusively subscribed by LAS to which the Company's administrative body will deliver the corresponding securities.

Notwithstanding the foregoing, the Series A Warrants will be transferable in the manner outlined in section III (h) below meaning the entity exercising the right included in the Series A Warrants in the end may be different from LAS.

**(h) Transferability of Series A Warrants**

Once the Conditions of Exercise of the Series A Warrants have been met, said Series A Warrants will be freely transferable to qualified investors and may be partially transferred. Until such time, the Series A Warrants may not be transferred to any third party.

The transfer of the Series A Warrants, if applicable, must be communicated to the Company which will note the new holder in the records and, where applicable, will cancel, replace and issue the corresponding multiple registered securities in favour of the new holders (and to the original holder in the event of a partial assignment).

**(i) Non-listing of Warrants**

The Series A Warrants shall not be admitted for listing in any secondary market.

**(k) Issuance guarantees**

The Series A Warrants are not guaranteed.

**(l) Modification of the terms and conditions relating to the rights included in the Series A Warrants**

The modification of the terms and conditions of the Series A Warrants (including subscription rights) will require a resolution by the Company as well as by all of the holders thereof.

Nonetheless, any modification or variation in the terms and conditions of the Series A Warrants, whether formal, minor or technical (which does not negatively affect the rights of the holders of the Series A Warrants) or to correct a manifest error may be done directly by the Company following consultation with the holders.

**(m) Law applicable to the Series A Warrants and Jurisdiction**

The Series A Warrants shall be governed by common Spanish law. In subscribing the Series A Warrants, the holders agree that any dispute between the holder of a Series A Warrant and the Company shall be submitted to the jurisdiction of the courts of the city of Madrid unless otherwise indicated in section (e) above in relation to the Conditions of Exercise.

**(n) Concerning the exclusion of preferential subscription rights**

The Series A Warrants shall be issued as part of the provisions of the Collaboration Agreement in virtue of which LAS has undertaken to provide the Company with its support to facilitate the Company's introduction in the automotive market and the promotion of its activities. The subscription by LAS of the Series A Warrants was an essential condition of the Collaboration Agreement signed and is fundamental to the development of the Company's activities in North America which is considered a key market for the company.

The special conditions for the Company of signing the Collaboration Agreement with an entity of the reputation and with the contacts and experience of LAS are precisely what advise the elimination of the preferential subscription rights of the Company's shareholders. The significant value provided by the Collaboration Agreement with LAS is just compensation for the issue and exercise of the Series A Warrants.

The Carbures Board of Directors believes that, in the case at hand, the exclusion of the preferential subscription rights is fully justified for reasons of company interest.

Thus, the exclusion of the preferential subscription right saves the necessary proportionality with the purpose sought in that it will be more than compensated and justified by the benefit involved for the Company and the very shareholders by the possibility of completing such Transaction under the conditions set forth.

Therefore, the issue of the Series A Warrants will be completed with the exclusion of the preferential subscription rights pursuant to the provisions of articles 414 and 417.2 LSC.

To this end, there will be no preferential subscription rights pursuant to the provisions of article 304.2 LSC in the capital increase completed as a result of the exercise of the Series A Warrants and the conversion thereof into the New Shares.

**(o) Report by an account auditor**

Pursuant to the provisions of article 417 LSC, the Trade Register of Cadiz was asked to appoint an auditor other than the Company's auditor to issue a report containing a technical opinion of the reasonableness of the data contained in the directors' report and the suitability of the conversion ratio and, where applicable, any adjustment formulae to compensate for any possible dilution in the shareholders' economic participation.

Both this Report as well as the report issued by said account auditor shall be made available to the shareholders at the time of the call for the General Meeting of the Company's Shareholders proposing the approval of the issuance of the Series A Warrants and the corresponding capital increase.

**IV. CAPITAL INCREASE IN THE SUM NECESSARY TO COVER THE SERIES A WARRANTS**

The Board of Directors will propose to the General Meeting of Shareholders an increase in the Company's share capital in one or more instalments (depending on when the rights included in the Series A Warrants are exercised) by the sum necessary to meet the requirements of the exercise of the rights included in the Series A Warrants against increased monetary contributions and with an expected incomplete subscription, on the one hand; and, on the other hand, the delegation to the Board of Directors of the power pursuant to the provisions of art. 297.1 a) LSC to fully or partially execute the increase necessary to meet the requirements of the rights associated with the Series A Warrants by issuing New Shares in accordance with the characteristics outlined below.

**A. Justification for the capital increase as in the corporate interest**

As indicated, this capital increase aims to permit the exercise and conversion of the Series A Warrants to be subscribed by LAS as part of the Collaboration Agreement in virtue of which LAS has undertaken to provide the Company with its support to facilitate its introduction in the automotive market and promote its activities.

**B. Justification for the issue type**

As indicated above, in determining the Price of Subscription of the Shares, the subscription price of the Company's shares in the capital increase agreed by the Company at the General Meeting

of Shareholders on 14 August 2015, was taken into consideration and then slightly corrected based on the commitment required of LAS as a result of the Transaction.

### **C. Characteristics of the Capital Increase**

#### **(i) Subscription Price of the Shares in exercise of the Series A Warrants**

The Subscription Price of the Shares proposed shall be fixed and total 1.69 euros corresponding to a face value of 0.17 euros and an issue premium of 1.525 euros. However, this will be exclusively adjusted in the circumstances and under the terms described in section III (d) above.

#### **(ii) Sum of the Capital Increase**

Pursuant to the provisions of article 414 LSC, it is hereby proposed to increase the Company's share capital by the sum necessary to cover the exercise of the rights included in the Series A Warrants. This increase may total a maximum amount of the planned increased capital of 8,185,690.76 euros by means of the issuance of up to a maximum of 4,843,604 New Shares with a face value of 0.17 euros each and an issue premium of 1.52 euros with incomplete subscription expected.

Notwithstanding the foregoing, the maximum number of New Shares to be issued is subject to possible modifications resulting from potential adjustments to the Share Subscription Price.

#### **(iii) Counter value and payment of the Capital Increase**

The Capital Increase will be fully paid up by means of monetary contributions.

#### **(iv) Rights of the New Shares**

The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.

#### **(v) Non-existence of preferential subscription rights**

The capital increase will be completed as a result of the exercise of the Series B Warrants, the issuance of which shall be completed with the exclusion of the preferential subscription rights pursuant to the provisions of articles 414 and 417.2 LSC.

Therefore, there will be no preferential subscription rights pursuant to the provisions of article 304.2 LSC in the capital increase completed as a result of the exercise of the Series B Warrants and the conversion thereof into the New Shares.

#### **(vi) Issuance of News Shares**

Within the maximum period of fifteen (15) business days after the end of each calendar month in which notifications are received relating to the exercise of the rights included in the Series A Warrants, the Board of Directors (or whomever is delegated to do so by this body) will perform and complete all of the corporate actions and administrative procedures necessary to issue the New ordinary Shares in the Company.

The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.

**(vii) Listing of the Shares**

It is hereby agreed to request listing of the ordinary shares issued by the Company upon the exercise of the Series A Warrants on the Spanish Alternative Stock Market.

It is hereby expressly stated that if delisting of the Company's stock is later requested, it will be adopted with the same formalities applicable and, in such case, the interests of the shareholders opposing the delisting agreement or do not vote for it will be guaranteed.

**(viii) Incomplete Subscription**

For the purposes provided for in article 311.1 LSC, the incomplete subscription of the Capital Increase is expressly planned. As a result, the Capital Increase will be limited to the sum corresponding to the exercise of the Series A Warrants.

**(ix) Delegation of powers and the execution of the Capital Increase**

Pursuant to the provisions of article 297.1 a) LSC, the Board of Directors shall propose to the General Meeting of Shareholders the delegation in the very Board of Directors, with express powers for the substitution of any of the members, of the powers necessary to execute the resolution for the necessary Capital Increase in order to meet the rights included in the Series A Warrants at any time during their exercise and to modify, as a result, the wording of article 5 of the Articles of Association in order to adapt them once or several times to the new share capital figure resulting from the execution of the Capital Increase to meet the exercise of the rights included in the Series A Warrants and request the listing of the New Shares thus issued on the Spanish Alternative Stock Market as well as any actions detailed in the proposed resolution subject of this report.

**V. TEXT OF THE PROPOSED RESOLUTION**

*“ONE.- The issuance of Series A Warrants in favour of LAS which include the right to subscribe ordinary newly-issued shares in Carbures Europe, S.A. through effective exercise, excluding any preferential subscription rights of current Company shareholders, delegating the execution and establishment of the conditions thereof not established by the General Meeting of Shareholders to the Board of Directors. The approval of an increase in the Company's share capital by the sum necessary to meet the requirements of the exercise of the rights included in the Series A Warrants with a monetary increase and the delegation to the Board of Directors of the power to execute the capital increase agreed in one or more instalments as per the exercise of the rights thereof.*

**I. ISSUANCE AND CHARACTERISTICS OF THE WARRANTS**

**(a) Issuance**

*It is hereby agreed to issue a number of Carbures Europe, S.A. (the "**Company**" or "**Carbures**") Warrants which shall give the holders the right to subscribe ordinary shares in Carbures which are newly issued (the "**New Shares**") with the characteristics described in section II below through monetary contributions in accordance with the terms and conditions indicated thereafter (hereinafter, the "**Series A Warrants**", and each individually as a "**Series A Warrant**"),*

*delegating the powers necessary for their execution to the Board of Directors (in the understanding that each time powers are delegated in virtue of this agreement, they shall include the power to replace them pursuant to the laws in effect).*

**(b) Exclusion of preferential subscription rights**

*Given that the elimination of the preferential subscription rights - as provided for in the Board of Directors report which was approved on 16 December 2015 and made available to the shareholders at the time of the call for this meeting - will enable the subscription of the Series A Warrants by LAS Holdings S.à.r.L (hereinafter, "LAS"), the Board believes said elimination is beneficial to the company's interests and therefore, proposes to fully eliminate the Company shareholders' preferential subscription rights. The subscription by LAS of the Series A Warrants was an essential condition of the Collaboration Agreement signed with Carbures to support the company's development activities in North America which is considered a key market for the company.*

*Pursuant to the provisions of articles 414.2 and 417 of the LSC, the Trade Register of Cadiz was asked to appoint an auditor other than the Company's auditor in order to issue a report by an account auditor other than the Company's auditor to offer an opinion related to the directors' report as concerns the contents thereof which was made available to the shareholders at the time this call for a General Meeting of Shareholders was published.*

**(c) Issue price of the Series A Warrants**

*Prior to the fifteenth calendar day before the third anniversary of the issue date of the Series A Warrants and, in any case, prior to the time of exercise of the Series A Warrants, the holders must pay a sum of 0.01 euros for each New Share they have a right to subscribe as a deferred issue price (the "Issue Price of the Series A Warrants").*

*The Issue Price of the Series A Warrants must be paid by LAS Holdings to the Company if LAS Holdings wishes to be able to exercise or transfer the Series A Warrants. If LAS Holding does not pay said Issue Price for the Series A Warrants, it may not exercise or transfer the Series A Warrants nor will the Issue Price be due and payable.*

**(d) Rights included with the Series A Warrants**

*The Series A Warrants shall grant the holders the right but not the obligation to subscribe a sufficient number of New Shares so that, if all of the rights deriving from the Series A Warrants are exercised, the number of New Shares represent 5% of the share capital in the Company as of the date the proposal referred to in this resolution is approved by the Board of Directors; in other words, 16,468,254.28 euros, represented by 96,872,084 ordinary shares with a face value of 0.17 euros each.*

*To this end, the Series A Warrants will grant the holders the right but not the obligation to immediately subscribe New Shares up to a maximum of 4,843,604 New Shares, corresponding to a maximum capital increase sum of 8,185,690.76 euros; 823,412.68 euros of which would correspond to the face value and 7,362,278.08 euros to the issue premium.*

**(e) Subscription Price of the Company's ordinary shares in exercise of the Series A Warrants. Adjustments**

*The subscription price of the Company's ordinary shares in exercise of the rights included in the Series A Warrants proposed shall be fixed and total 1.69 euros per share (the "Share Subscription Price") with 0.17 euros corresponding to the face value and 1.52 euros to the issue premium.*

*In determining the Share Subscription Price, the subscription price of the Company's shares in the capital increase agreed by the Company at the General Meeting of Shareholders on 14 August 2015, was considered and then corrected based on the commitments assumed by LAS under the Collaboration Agreement.*

*The Share Subscription Price shall be subject to the anti-dilution mechanisms outlined below and will be modified pursuant to the following rules so as not to lead to an increase in the total price of subscription.*

*If the Company agrees to a distribution of dividends in the form of released shares, an increase the share capital chargeable to the reserves, or reduce or increase the face value of the shares without altering the share capital figure (such as would be the case in a split or counter-split) or in the event of a capital decrease due to losses, the Share Subscription Price (and to the extent necessary, the number of New Shares giving rise to the right to subscribe to the Series A Warrants will be adjusted in accordance with the formula below (effective as of the date of execution of the resolution) so that, in application of the new Share Subscription Price, the Series A Warrants will continue to give the right to subscribe New Shares representing 5% of the company's share capital in accordance with the terms established with the issuance of the Series A Warrants).*

$$P2 = P1 \times (N1/N2)$$

*Where:*

*P2: represents the Share Subscription Price resulting from the adjustment;*

*P1: represents the Share Subscription Price prior to the adjustment, which will initially be 1.69 euros per share;*

*N1: represents the number of shares in circulation prior to the adjustment;*

*N2: represents the number of shares in circulation following the adjustment.*

*The adjustments that must be done will be calculated by the Company as previously agreed and should be accepted by the holder of the Series A Warrants unless there is a manifest calculation error. Any such error should be communicated by the holder within five (5) business days of the date on which the adjustments are communicated to it by the Company. If the adjustment proposed is not challenged within the period of five (5) business days following the date of notification of the adjustment, it shall be understood as approved and will be applied. The adjustments previously established may be applied as often as said situations occur and to the Subscription Prices of the Shares previously modified.*

*The Share Subscription Prices resulting from the application of the previous formulas must be rounded down in all cases to the closest euro cent. The excess resulting from rounding shall be taken into consideration when making later adjustments to the minimum or maximum Share Subscription Price, if they exist.*

*The Share Subscription Price may not under any circumstance be reduced to such extent that the Company's New Shares are issued below the face value (currently, 0.17 euros). Under no*

circumstance may the Subscription Price of the Shares be adjusted up above 1.69 euros per share (except in the case of a counter-split to the extent that the share capital figure does not vary and the number of New Shares that may be subscribed as per the Series A Warrants represents 5% of the Company's current share capital as of the date the proposal referred to in this agreement is approved by the Board of Directors).

**(f) Compliance with the Conditions of Exercise, maximum period of exercise and extinguishment of the Series A Warrants**

(A) *Conditions of Exercise:*

LAS must:

1. *Pay the entire Issue Price of the Series A Warrants to the Company;*
2. *Declare the completion of the services subject of the Collaboration Agreement as concerns the issuance of the Series A Warrants.*

*For this purpose, a certificate issued by the LAS administrative body declaring that said commitments have been provided signed before a notary and with the corresponding apostille shall be sufficient.*

*(the conditions established in sections (1) and (2) above, the “Conditions of Exercise” and must be completed prior to the fifteenth calendar day prior to the third anniversary of the issuance date of the Series A Warrants).*

*If the Company disputes the effective compliance by LAS of the Conditions of Exercise, the Company and LAS shall submit said dispute to the jurisdiction of the courts of England which will issue a decision pursuant to English law and in accordance with the provisions of the Collaboration Agreement.*

(B) *Deadline for exercise and extinguishment:*

*The Series A Warrants may be exercised by the holders fully or partially at any time as of full compliance with the Conditions of Exercise and up to a maximum of three (3) years as of the date of issuance thereof.*

*The exercise of the rights included in the Series A Warrants by the holders shall be an individual decision of each one of them and will be irrevocable once communicated to the Company.*

*Any request to exercise the Warrants must be made ten (10) days prior to the exercise date and must be accompanied by a bank certificate proving the availability of the funds in a sufficient quantity to subscribe the shares to which the Series A Warrants exercised grant rights.*

*Therefore, the various rights under the Warrants will be extinguished (i) due to their full exercise, (ii) if the Conditions of Exercise are not fulfilled prior to the fifteenth calendar day prior to the third anniversary of the date of issuance of the Series A Warrants or (iii) if the rights included in them are not exercised within three (3) years as indicated.*

**(f) Means of representation of Series A Warrants**

*The Series A Warrants shall be represented by means of registered securities and the Company must keep a record of the holders which shall include the identity of the holder, the total or partial exercise of the rights associated with the Series A Warrants and, as a result, the number of New Shares issued chargeable to them.*

**(g) Recipients and holders of Series A Warrants**

*The Warrants shall be exclusively subscribed by LAS to which the Company's administrative body will deliver the corresponding securities.*

*Notwithstanding the foregoing, the Series A Warrants will be transferable in the manner outlined in section III (h) below meaning the entity exercising the right included in the Series A Warrants in the end may be different from LAS.*

**(h) Transferability of Series A Warrants**

*Once the Conditions of Exercise of the Series A Warrants have been met, said Series A Warrants will be freely transferable to qualified investors and may be partially transferred. Until such time, the Series A Warrants may not be transferred to any third party.*

*The transfer of the Series A Warrants, if applicable, must be communicated to the Company which will note the new holder in the records and, where applicable, will cancel, replace and issue the corresponding multiple registered securities in favour of the new holders (and to the original holder in the event of a partial assignment).*

**(i) Non-listing of Warrants**

*The Series A Warrants shall not be admitted for listing in any secondary market.*

**(k) Issuance guarantees**

*The Series A Warrants are not guaranteed.*

**(l) Modification of the terms and conditions relating to the rights included in the Series A Warrants**

*The modification of the terms and conditions of the Series A Warrants (including subscription rights) will require a resolution by the Company as well as by all of the holders thereof.*

*Nonetheless, any modification or variation in the terms and conditions of the Series A Warrants, whether formal, minor or technical (which does not negatively affect the rights of the holders of the Series A Warrants) or to correct a manifest error may be done directly by the Company following consultation with the holders.*

**(m) Law applicable to the Series A Warrants and Jurisdiction**

*The Series A Warrants shall be governed by common Spanish law. In subscribing the Series A Warrants, the holders agree that any dispute between the holder of a Series A Warrant and the Company shall be submitted to the jurisdiction of the courts of the city of Madrid unless otherwise indicated in section (e) above in relation to the Conditions of Exercise.*

## II. CAPITAL INCREASE IN THE SUM NECESSARY TO COVER THE SERIES A WARRANTS

### (a) Monetary capital increase

It is hereby agreed to increase the Company's share capital one or more times (depending on when the rights included in the Series A Warrants are exercised) by the sum necessary to cover the exercise of the rights included in the Series A Warrants. This increase may total a maximum amount of the planned increased capital of 8,185,690.76 euros by means of the issuance of up to a maximum of 4,843,604 New Shares with a face value of 0.17 euros each and an issuance premium of 1.52 euros with incomplete subscription expected.

Notwithstanding the foregoing, the maximum number of New Shares to be issued is subject to possible modifications resulting from potential adjustments to the Share Subscription Price.

Pursuant to article 297.1 a) LSC, it is hereby agreed to delegate the power to the Board of Directors (with the understanding each time powers are delegated in virtue of this agreement that they include the express power to be substituted pursuant to current laws) to fully or partially execute, as applicable, the Capital Increase needed to cover the rights included in the Series A Warrants by means of the issuance of new ordinary shares newly issued by the Company pursuant to the characteristics outlined below.

### (i) Sum of the Capital Increase

Without prejudice to the adjustments to the Subscription Price of the Shares provided for in section I (d) above, the face value of the Capital Increase shall be a maximum of 823,412.68 euros which will be generated by the issuance and circulation of a total maximum number of 4,843,604 new shares (the "**New Shares**").

The New Shares shall be issued at a face value equal to 0.17 euros (the "**Face Value**") plus an issue premium of 1.52 euros and shall be of the same class and series as those currently existing.

As a result of the foregoing, the Capital Increase shall be an effective maximum amount of 8,185,690.76 euros (the "**Capital Increase Sum**").

### (ii) Subscription Price of the Shares in exercise of the Series A Warrants

The Subscription Price of the Shares proposed shall be fixed and total 1.69 euros with a face value of 0.17 euros and an issue premium of 1.52 euros. However, this will be exclusively adjusted in the circumstances and under the terms described in section I (d) above.

### (iii) Rights of the New Shares

The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.

### (iv) Recipients of the Capital Increase

The Capital Increase will be exclusively directed at the holders of the Series A Warrants at any given time, initially LAS.

*(v) Counter value and payment of the Capital Increase*

*The Capital Increase will be fully paid up by means of monetary contributions.*

*(vi) Non-existence of preferential subscription rights*

*Given that the capital increase will be completed as a result of the exercise of the Series A Warrants - which were issued with an exclusion of any preferential subscription rights in accordance with the provisions of articles 414 and 417.2 of LSC - and their conversion into New Shares, there is no preferential subscription right for shareholders pursuant to the provisions of article 304.2 LSC.*

*(vii) Issuance of New Shares*

*Within the maximum period of fifteen (15) business days after the end of each calendar month in which notifications are received relating to the exercise of the rights included in the Series A Warrants, the Board of Directors (or whomever is delegated to do so by this body) will perform and complete all of the corporate actions and administrative procedures necessary to issue the new ordinary shares in the Company.*

*The New Shares shall attribute the same political and economic rights to the holders as the Company's ordinary shares currently in circulation as of the date on which the corresponding Capital Increase is registered with the Trade Register.*

*(viii) The listing of shares*

*It is hereby agreed to request listing of the ordinary shares issued by the Company upon the exercise of the Series A Warrants on the Spanish Alternative Stock Market.*

*It is hereby expressly stated that if delisting of the Company's stock is later requested, it will be adopted with the same formalities applicable and, in such case, the interests of the shareholders opposing the delisting agreement or do not vote for it will be guaranteed.*

*(ix) Incomplete subscription*

*For the purposes provided for in article 311.1 LSC, the incomplete subscription of the Capital Increase is expressly planned. As a result, the Capital Increase may be declared closed at the resulting subscribed and paid up sum if the new ordinary shares in the Company are not fully subscribed.*

*(x) Modification of article 5 of the Company's Articles of Association*

*As a result of the Capital Increase, it is hereby agreed to modify article 5 of the Articles of Association as well as to delegate the final wording to the Board of Directors pursuant to the provisions of section IV below once the subscription and payment of the Capital Increase are verified.*

### **III. DELEGATION OF POWERS**

*Without prejudice to the delegation of specific powers contained in the sections above, it is hereby agreed to empower the Board of Directors to the extent required by law and with express*

*powers of substitution through any of its members so that any of them may indistinctively execute this resolution and in particular but not limited to:*

- (i) Expand and write this resolution, establishing the date or dates of issuance, the terms and conditions of issuance for all matters not provided for in this resolution and to complete any actions necessary to improve the execution and transaction related to the delivery and functioning of the Series A Warrants including, as applicable, any publications that may be necessary.*
- (ii) Appear before a notary and grant the corresponding public instrument issuing the Series A Warrants subject of this resolution, and request registration of said public instrument with the Trade Register as well as make the required issue notices and grant any public or private documents necessary to declare the close of the subscription of the Series A Warrants.*
- (iii) Execute the resolution to increase the Company's share capital by issuing and putting into circulation in one or several instalments the ordinary shares representing said share capital necessary to effectively exercise the rights of the holders of Series A Warrants and re-word the article in the Company's Articles of Association relating to its share capital, voiding the part of said capital increase not necessary due to the exercise of the rights of the holders of Series A Warrants; and request the listing of the ordinary shares issued on the Spanish Alternative Stock Market.*
- (iv) Write, sign and present, where applicable, the Informational Document and as many supplements thereof which are necessary to the CNMV, the managing enterprise Sociedad Rectora del Mercado Alternativo Bursatil or any other supervisory authority necessary in relation to the issuance and listing of the new shares issued as result of the exercise of the Series A Warrants, assuming all liability for them as well as all other documents and information required pursuant to the provisions of applicable regulations and the Spanish Alternative Stock Market standards. Moreover, complete any action, statement or procedure required with the Spanish Alternative Stock Market, CNMV, Iberclear or any other organisation, entity, or public or private Spanish or foreign register and complete all of the necessary procedures on behalf of the Company so that the new ordinary shares resulting from the capital increase may be registered with the Iberclear accounting registers and listed on the Spanish Alternative Stock Market.*
- (v) Negotiate and sign as well as submit for referendum or confirm, as appropriate, the contracts required with the financial institutions which, as applicable, intervene in the issuance and placement of the Series A Warrants under the terms deemed most suitable.*
- (vi) Correct, clarify, interpret, specify or complement the resolutions adopted by the General Meeting of Shareholders or any others mentioned in any public instruments or documents granted in execution thereof and, in particular, any defects, omissions or errors in matter or form that would prevent access to the resolutions or the consequences thereof with the Trade Register, Official CNMV (Spanish National Securities Market Commission) Registers or any others.*
- (vii) Grant any public or private documents necessary or appropriate on behalf of the Company for the issuance of the Series A Warrants subject of this resolution and, in*

*general, complete as many procedures as are necessary for the execution of this resolution and the effective circulation of the Series A Warrants including signing the bearer's certificates representing the Series A Warrants.”*

This report was prepared and approved on 16 December 2015.

**NON-BOARD MEMBER SECRETARY**

**THE CHAIRMAN**

---

**Mr Guillermo Medina Ors**

---

**Mr Rafael Contreras Chamorro**