



**REPORT MADE BY THE BOARD OF DIRECTORS OF THE COMPANY DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. (“DIA”) REGARDING THE PROPOSAL TO AUTHORISE THE BOARD OF DIRECTORS TO ISSUE CONVERTIBLE OR EXCHANGEABLE DEBENTURES AND BONDS INCLUDED IN ITEM FIVE ON THE AGENDA FOR THE GENERAL SHAREHOLDERS’ MEETING CALLED FOR 21 APRIL 2016 AND 22 APRIL 2016, ON FIRST AND SECOND CALL, RESPECTIVELY**

**I. Purpose of the report**

This report has been made by the Board of Directors of Distribuidora Internacional de Alimentación, S.A. (“DIA” or the “Company”) pursuant to the provisions of section 511 of the consolidated text of the Companies Act (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “Companies Act”) and article 319 of the Regulations of the Mercantile Registry, applying the provisions of section 297.1.b) of the Companies Act by analogy, to provide a rationale for the proposal (which is submitted for the approval of the shareholders at the General Shareholders’ Meeting of the Company called to be held on 21 April 2016, at 11:00, on first call, and on the following day, 22 April 2016, at the same time, on second call, under item five on the agenda) regarding the authorisation to the Board of Directors, with express power of further delegation, to issue debentures or bonds that are convertible into and/or exchangeable for shares of the Company or of other companies either within or outside its Group, and warrants on newly-issued shares or outstanding shares of the Company or of other companies either within or outside its Group.

**II. Rationale for the proposal**

The Board of Directors considers that the proposed resolution submitted for the approval of the shareholders at the General Shareholders’ Meeting is highly desirable insofar as it makes use of the mechanisms provided for by current legal provisions by way of which the Board of Directors will have an instrument that allows at all times, within the limits, conditions and terms established by the shareholders at the General Shareholders’ Meeting, to be in a position to raise the funds necessary to finance the Company’s businesses on the primary securities markets.

The purpose of this delegation is to provide the Company’s Board of Directors with the flexibility and responsiveness required by the current competitive environment, in which the success of most strategies often depends on the Company’s ability to deal with it quickly, without incurring the delays and costs that inevitably ensue from the call to and holding of a General Shareholders’ Meeting.

The issue of debentures that are convertible into and/or exchangeable for shares is one of the instruments for companies to obtain third-party financing. On one hand, these securities provide the advantage of offering investors the possibility of converting their loans to the Company into shares thereof, receiving a potential return in excess of that offered by other debt instruments, and on the other they may allow the company to increase its equity. A consequence of the foregoing is that the coupon on the convertible and/or exchangeable debentures tends to be lower than the cost of simple fixed-income securities and of bank debt, because the interest rate of the debentures reflects the value of the investors’ option to convert them into shares of the Company.



For such purpose, pursuant to the provisions of section 319 of the Regulations of the Mercantile Registry and the general legal provisions regarding the issue of debentures, and in accordance with articles 14.2, 14.3 and 16.1.e) of DIA's Articles of Association, which give the shareholders at the General Shareholders' Meeting the power to issue the negotiable securities that are covered by this proposal, as well as to exclude, when applicable, the pre-emption rights of the holders of the convertible or exchangeable bonds and debentures, the resolution proposed under item five on the agenda is submitted to the shareholders for consideration at the General Shareholders' Meeting. If warrants are issued, it is specifically provided that the legal and conventional rules applicable to convertible and/or exchangeable debentures shall be applied insofar as they are compatible with the specific nature of the warrants.

#### Amount of the issues

The proposal specifically vests the Board of Directors with the power to issue, on one or more occasions, convertible and/or exchangeable debentures or bonds and warrants entitling the holders thereof to subscribe for newly-issued shares or to acquire outstanding shares of the Company and to approve, when appropriate, the increase in share capital required to accommodate the conversion or the exercise of the option to subscribe for the shares, provided such increase, individually or added to any increases that may be approved in reliance on other authorisations proposed by the Board of Directors to the shareholders at the General Shareholders' Meeting pursuant to the provisions of section 297.1.b) of the Companies Act, does not exceed 50% of the share capital on the date of the resolution. The amount of any capital increases made to accommodate the conversion or exchanges of debentures, warrants or other securities pursuant to this delegation shall be deemed to be included within the limit from time to time available to increase the share capital.

#### Conversion and/or exchange ratio for purposes of the conversion into and/or exchange for shares

The proposed resolution submitted to the shareholders for approval at the General Shareholders' Meeting also establishes the standards to determine the terms and conditions for the conversion and/or exchange, although it entrusts to the Board of Directors, in the event that it resolves to use this authorisation granted by the shareholders at the General Shareholders' Meeting, the specific determination of some of such terms and conditions in respect of each issue within the limits and in accordance with the standards established by the shareholders at the General Shareholders' Meeting.

The Board of Directors shall thus be responsible for determining the specific ratio for conversion and, for such purpose, upon approving an issue of convertible and/or exchangeable securities in reliance on the authorisation granted by the shareholders at the General Shareholders' Meeting, it shall prepare a report describing the specific terms and conditions applicable to such issue, on which the related audit report mentioned in sections 414 and 511 of the Companies Act shall be prepared by an auditor appointed for such purpose by the Mercantile Registry and that is not the Company's auditor.

Specifically, the proposed resolution submitted by the Board of Directors for approval by the shareholders at the General Shareholders' Meeting provides that the securities issued pursuant thereto shall be valued at their nominal amount and the shares at the fixed (determined or determinable) or variable conversion ratio that is established in the corresponding resolution of the Board of Directors.



Thus, for purposes of the conversion and/or exchange, the fixed-income securities shall be valued at their nominal value, and the new shares to be issued for the conversion thereof, or the outstanding shares to be exchanged, according to a fixed conversion and/or exchange ratio that the Board of Directors shall establish in the resolution in which they make use of this delegation, whether such ratio is determined or determinable on the date or dates that are indicated in the Board's resolution and according to the listing price of the Company's shares on the Stock Exchange on the date(s) or period(s) that are established as references in such resolution.

In any event, the conversion ratio shall not be lower than the average price of the Company's shares on the Continuous Market of the Spanish Stock Exchanges according to the closing listing prices during a period to be set by the Board of Directors, which shall not be greater than three months nor less than 15 calendar days prior to the date of approval by the Board of Directors of the resolution to issue the fixed-income securities or the date of payment for the securities by the subscribers. A premium or, if appropriate, a discount, may also be set on such price per share.

It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the shares of the Company on the Continuous Market during a period to be determined by the Board of Directors, which shall not be greater than three months nor less than 15 calendar days prior to the date of conversion and/or exchange. A premium or, if appropriate, a discount, may also be set on such price per share in this case.

In any of the cases described in the two preceding paragraphs, it is provided that, if a discount on the price per share is established, such discount may not exceed 30%.

The Board thus considers it is given an adequate degree of flexibility to set the value of the shares for purposes of the conversion on the basis of market conditions and other applicable considerations.

In the case of warrants on newly-issued shares, the rules on convertible debentures set forth in the proposed resolution shall apply, to the extent that they are consistent with the nature thereof.

Furthermore, and as provided in section 415 of the Companies Act, the resolution delegating to the Board the power to issue convertible securities provides, for purposes of the conversion thereof, that the nominal value of the debentures may not be less than the par value of the shares. Convertible debentures may likewise not be issued for an amount lower than the nominal value thereof.

#### Exclusion of pre-emption rights

Section 417.1 of the Companies Act establishes the possibility that the shareholders at the General Shareholders' Meeting, when deciding to issue convertible debentures, may resolve to totally or partially exclude the pre-emption rights of the shareholders in cases where the interest of the Company so requires.

In this regard, it is stated for the record that the authorisation to issue convertible and/or exchangeable securities as well as warrants or similar securities that may carry the right, directly or indirectly, to subscribe for or acquire shares of the Company includes, pursuant to the provisions of section 511 of the Companies Act, the grant to the Board of Directors of the



power to partially or totally exclude the pre-emption rights of the shareholders when so required to raise funds on the markets or otherwise justified by the corporate interest.

The Board believes that the exclusion of pre-emption rights allows for a significant reduction in the financial cost and in the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in the issue), as compared to an issue with pre-emption rights, while at the same time causing less distortion in the trading of the shares of the Company during the issue period.

In any event, pursuant to the provisions of section 511 of the Companies Act, if the Board decides to exclude the pre-emption rights of the shareholders on the occasion of any or all of the issues that it may decide to effect pursuant to such delegation, at the time of adopting the respective resolution to effect the issue, it must issue a report describing the specific reasons of corporate interest that justify such measure, on which a corresponding report shall also be prepared by an auditor appointed by the Mercantile Registry that is not the Company's auditor, as stated in section 414 of the Companies Act. Such reports must be made available to the shareholders and communicated to them at the first General Shareholders' Meeting held after the resolution approving the issue.

Although there is no restriction in law or in the Articles of Association on the capacity of the shareholders at the General Shareholders' Meeting to delegate to the Board of Directors the power to exclude pre-emption rights, other than the limitation that is already indirectly entailed by the maximum amount of 50% of the share capital until the authorisation provided for in item four of the Agenda permits the increase thereof, the Board of Directors considers it appropriate that such power be limited, in line with international trends and recommendations on good market practices. Consequently, the Board of Directors proposes limiting the power to exclude pre-emption rights, together with the same power provided for in item four on the Agenda, to a nominal maximum amount equal, in the aggregate, to 20% of the share capital at the date of authorisation.

#### Admission to trading

It is also provided that the securities issued pursuant to this delegation may be admitted to trading on the appropriate Spanish or foreign, official or unofficial, organised or other secondary market.

#### Issues through subsidiaries

Furthermore, it may sometimes be desirable to issue the securities under this proposed resolution through a subsidiary, with the Company acting as guarantor. Accordingly, it is deemed to be of interest for the shareholders at the General Shareholders' Meeting to authorise the Board of Directors to guarantee, in the name of the Company, within the limits described above, such new issues of convertible and/or exchangeable fixed-income securities or warrants as may be made by subsidiaries during the effective period of this resolution, for purposes of granting the Board of Directors the utmost flexibility in structuring the issues of securities in such manner as may be most appropriate in the circumstances.

#### Delegation

Pursuant to the provisions of section 249.bis.1) of the Companies Act, all the powers to be granted to the Board of Directors if the resolution proposed herein is adopted shall be granted with express power of further delegation, so as to further contribute to achieving the purpose of expediting the proposed transactions.



The entire text of the proposed resolution on delegation of the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company and warrants on newly-issued shares or outstanding shares of the Company reads as follows:

#### **ITEM FIVE ON THE AGENDA**

**Authorisation to the Board of Directors, with express power of further delegation, for a maximum term of five years, to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or other companies either within or outside of its Group, and warrants on newly-issued shares or outstanding shares of the Company or of other companies either within or outside of its Group, with a maximum limit of 480,000,000 euros. Setting of standards for the determination of the terms and conditions applicable to the conversion, exchange or exercise. Delegation to the Board of Directors, with express power of further delegation, of the powers needed to establish the terms and conditions applicable to the conversion, exchange or exercise, and in the case of convertible debentures and bonds and warrants on newly-issued shares, to increase capital in the amount necessary to accommodate requests for conversion of debentures or the exercise of the warrants, with the power to exclude the pre-emption rights of the Company's shareholders in the case of issues of convertible and/or exchangeable securities, which power, along with the same power provided for in item four on the Agenda, shall be limited to a maximum nominal amount equal to 20% of the share capital on the date of the authorisation.**

#### **PROPOSED RESOLUTIONS REGARDING ITEM FIVE**

*“To authorise the Board of Directors, under the general rules on issues of debentures and pursuant to the provisions of sections 286, 297, 417 and 511 of the Companies Act and article 319 of the Regulations of the Mercantile Registry, as well as to articles 14.2, 14.3 and 16.1.e) of DIA's Articles of Association, to issue negotiable securities in accordance with the following conditions:*

- 1. Securities to be issued.- The negotiable securities contemplated in this delegation may be debentures and bonds that are exchangeable for shares of the Company or of any other company either within or outside its Group, and/or convertible into shares of the Company, as well as warrants (options to subscribe for newly-issued shares of the Company or to acquire outstanding shares of the Company or of any other company either within or outside its Group).*
- 2. Period of the delegation.- The issue of the securities covered by the authorisation may be effected on one or more occasions within a maximum period of five years following the date of approval of this resolution.*
- 3. Maximum amount of the delegation.- The maximum aggregate amount of the issue(s) of securities approved under this authorisation shall be 480,000,000 euros or the equivalent thereof in another currency. For purposes of calculation of the aforementioned limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants on issues approved under this authorisation shall be taken into account.*
- 4. Scope of the delegation.- In using the delegation of powers herein approved, the Board of Directors shall determine for each issue, among other things, the amount thereof, always within the aforementioned overall quantitative limit, the place of issue (in Spain*

*or abroad) and the domestic or foreign currency and, in the case of foreign currency, the equivalent thereof in euros; the denomination or form, whether bonds or debentures, including subordinated bonds or debentures, warrants (which may in turn be settled by means of the physical delivery of the shares or, if applicable, through the payment of differences in price), or any other form permitted by law; the date or dates of issue; the number of securities and the nominal value thereof, which in the case of convertible and/or exchangeable bonds or debentures shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable), dates and procedures for payment of the coupon; whether the instrument issued is perpetual or subject to repayment and in the latter case the period for repayment and the maturity date or dates; guarantees, reimbursement rate, premiums, and lots; the form of representation, as securities or book entries; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issue; the power to make application, where appropriate, for the admission to trading of the securities to be issued on Spanish or foreign, official or unofficial, organised or other secondary markets, subject to the requirements established by applicable regulations in each case and, in general, any other terms of the issue, as well as, if applicable, the appointment of the security-holders' syndicate representative (comisario) and the approval of the basic rules that are to govern the legal relations between the Company and the syndicate of holders of the securities to be issued in the event that such syndicate must be or is decided to be created.*

*In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of security-holders coming together at a meeting of the corresponding security-holders' syndicates, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued as well as the respective period thereof, and the rate of interest, if any, accrued by the securities included in each of the issues effected under this authorisation.*

5. *Basis for and terms and conditions applicable to the conversion and/or exchange.- In the case of the issue of convertible and/or exchangeable debentures or bonds, and for purposes of determining the basis for and terms and conditions applicable to the conversion and/or exchange, it is resolved to establish the following standards:*
  - a) *The securities issued pursuant to this resolution shall be exchangeable for shares of the Company or of any other company either within or outside its Group and/or convertible into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio (determined or determinable), with the Board of Directors being authorised to determine whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals and during the period established in the resolution providing for the issue, which may not exceed 30 years from the date of issue.*

- b) *In the event that the issue is convertible and exchangeable, the Board of Directors may also provide that the issuer reserves the right at any time to elect between conversion into newly-issued shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal treatment to all holders of fixed-income securities that convert and/or exchange their securities on the same date.*
- c) *For purposes of the conversion and/or exchange, the securities shall be valued at their nominal amount and the shares to be issued for their conversion, or the outstanding shares to be exchanged, shall be valued in accordance with a fixed conversion and/or exchange ratio established in the resolution of the Board of Directors making use of this authorisation, or at the variable ratio to be determined on the date or dates specified in the resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution.*
- In any event, the fixed ratio thus determined may not be less than the average exchange ratio for the shares on the Continuous Market on the Spanish Stock Exchanges on which the shares of the Company are admitted for trading, in accordance with closing listing prices during a period to be set by the Board of Directors and which shall not be greater than three months nor less than 15 calendar days prior to the date of approval by the Board of Directors of the resolution providing for the issue of the fixed-income securities or the date of payment of the securities by the subscribers, at a premium or, as the case may be, at a discount on such price per share, provided that if a discount on the price per share is established, it shall not be greater than 30% of the value of the shares used as a reference as set forth above.*
- d) *It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the shares of the Company on the Continuous Market during a period to be determined by the Board of Directors, which shall not be greater than three months nor less than 15 calendar days prior to the date of conversion and/or exchange, at a premium or, as the case may be, a discount on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issue (or for each tranche of an issue, if any), provided that if a discount is established on the price per share, it shall not be greater than 30% of the value of the shares used as a reference as set forth above.*
- e) *Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of the issue, any difference that may arise in such case.*
- f) *In no event may the value of the shares for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. Furthermore, in*

*accordance with the provisions of section 415 of the Companies Act, debentures may not be converted into shares if the nominal value of the former is less than that of the latter.*

*When approving an issue of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report elaborating and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion that are specifically applicable to the respective issue. This report shall be accompanied by the corresponding audit report by an auditor appointed by the Mercantile Registry that is not the Company's auditor, as contemplated in section 414 of the Companies Act.*

6. *Basis for and terms and conditions applicable to the exercise of warrants and other similar securities.*- *In the case of issues of warrants, it is resolved to establish the following standards:*
  - a) *In the case of issues of warrants, to which the provisions of the Companies Act on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the standards applicable to the exercise of rights to subscribe for or acquire shares of the Company or of another company either within or outside the Group, or to a combination thereof, arising from the securities of this kind issued under the delegation granted herein. The standards set forth in section 5 above shall apply to such issues with such adjustments as may be necessary for purposes of making them consistent with the legal and financial rules governing this kind of security.*
  - b) *The preceding standards shall apply, to the extent applicable, with relation to the issue of fixed-income securities (or warrants) that are exchangeable for shares of other companies. Where appropriate, references to the Spanish Stock Exchanges shall be deemed to be made to the markets, if any, on which the respective shares are listed.*
7. *This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:*
  - a) *The power of the Board of Directors, pursuant to the provisions of section 511 of the Companies Act read in conjunction with section 417 of such Act, to totally or partially exclude the pre-emption rights of the shareholders. In any event, if the Board of Directors decides to exclude the pre-emption rights of the shareholders in connection with a specific issue of convertible debentures or bonds, warrants, and other similar securities that it ultimately decides to effect under this authorisation, it shall issue, at the time of approving the issue and pursuant to applicable law, a report describing the specific reasons based on the corporate interest that justify such measure, on which a corresponding report shall also be prepared by an auditor appointed by the Mercantile Registry that is not the Company's auditor, as contemplated in sections 414 and 511 of the Companies Act. Such reports shall be made available to the shareholders and disclosed at the first General Shareholders' Meeting held after approval of the resolution approving the issue.*



*This power shall in any event be limited to those increases in share capital carried out pursuant to this authorisation, as well as to those that are carried out pursuant to the authorisation established under item four on the Agenda, up to a nominal maximum amount equal, in the aggregate, to 20% of the share capital on the date of adoption of this resolution.*

- b) The power to increase share capital to the extent required to accommodate requests for conversion and/or for exercise of the right to subscribe for shares. Such power may only be exercised to the extent that the Board, adding the increase in capital effected to accommodate the issue of convertible debentures, warrants, and other similar securities and the other increases in capital approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of one-half of the amount of the share capital established in section 297.1.b) of the Companies Act. This authorisation to increase share capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for shares, as well as the power to amend the article of the Articles of Association relating to the amount of the share capital and, if appropriate, to cancel the portion of such increase in capital that was not required for the conversion and/or the exercise of the right to subscribe for shares.*
  - c) The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange, and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the standards set out in sections 5 and 6 above.*
  - d) The delegation to the Board of Directors includes the broadest powers required under law for the interpretation, application, implementation and development of the resolutions providing for the issue of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding increase in capital, as well as the powers to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officials, or bodies, and may also adopt such resolutions and execute such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issue of convertible or exchangeable securities and the corresponding increase in capital to the oral or written assessment of the Mercantile Registrar or, in general, of any other competent Spanish or foreign authorities, officials, or entities.*
- 8. Admission to trading.-** *The Company shall, when appropriate, make application for admission to trading of the convertible and/or exchangeable debentures and/or bonds or warrants issued by the Company under this authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, and the Board of Directors shall be authorised as broadly as required to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.*



*It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, to the extent that they are applicable, and, in such case, the interests of the shareholders or debenture-holders opposing or not voting on the resolution shall be safeguarded as provided by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing and delisting.*

9. *Guarantee in support of issues of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries.*- *The Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issues of convertible and/or exchangeable fixed-income securities or warrants carried out by subsidiaries during the effective period of this resolution.*
10. *Power of further delegation.*- *The Board of Directors is expressly authorised to further delegate the powers contemplated in this resolution, pursuant to the provisions of section 249.bis.l) of the Companies Act.*

*In accordance with the provisions of section 511 of the Companies Act and article 319 of the Regulations of the Mercantile Registry, applying by analogy the provisions of section 297.1.b) of the Companies Act, the directors have prepared a report providing the rationale for the proposal submitted herein.*

*Finally, it is proposed to deprive of effect Resolution Nine adopted by the shareholders at the Annual General Shareholders' Meeting held on 13 June 2012, pursuant to which the Board of Directors of the Company was authorised to issue debentures or bonds, warrants and other similar securities that are exchangeable for and/or convertible into shares."*

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Madrid, 11 March 2016