



CNMV  
Markets Directorate General  
C/ Edison núm. 4  
28006 Madrid

Colmenar Viejo (Madrid), May 26, 2017

Pursuant to article 228 of the restated text of the Securities Market Law, we hereby inform you of the following **SIGNIFICANT EVENT**:

According to Board's decision adopted today, Pharma Mar has agreed to convene General Shareholders Meeting to be held at Instituto Ferial de Vigo (IFEVI), in Avda. del Aeropuerto, 772, Cotogrande -36318- Vigo, (Pontevedra), on June 29<sup>th</sup>, 2017 at 12:00 p.m. at second call since it is not predictable to meet the quorum required to hold the meeting at first call, scheduled for June 28<sup>th</sup>, 2017 at 12:00 p.m., at the same location. Attached hereto is the notice of call of said Shareholders Meeting, which is posted today on the Company's corporate website and that will be published in the newspaper "ABC" tomorrow.

Also attached are the proposed resolutions from the Board of Directors that will be submitted to said Shareholders Meeting. In addition, the Annual Financial Report, the Annual Corporate Governance Report and the Annual Report on Compensation of Directors for the year 2016 have previously been submitted to the National Stock Market Commission on February 23<sup>rd</sup>, 2017 and are available to the public at the website of such Commission and at Pharma Mar's corporate website.

Reports of directors related to items Three and Four of the Agenda and other mandatory documentation relating to next General Shareholders' Meeting are also made available to shareholders, on the terms set out in the notice of call.

## PHARMA MAR, S.A.

### Annual General Shareholders Meeting

The Board of Directors of PHARMA MAR, S.A. (the “**Company**”) has resolved to call the Annual General Shareholders Meeting, to be held at Instituto Ferial de Vigo (IFEVI) located at Avda. del Aeropuerto, 772, Cotogrande – 36318- Vigo, (Pontevedra), on 29 June 2017, at 12:00 p.m., in second call, as it is foreseen that quorum will not be met in first call, which is also convened in this meeting notice at the same place and time, on 28 June 2017. The venue for the aforementioned General Meeting has been selected by the Board of Directors in accordance with the provisions of Article 22 of the Company's Corporate Bylaws.

The General Meeting will discuss and approve, as the case may be, the following resolutions:

#### AGENDA

##### I. ITEMS SUBMITTED FOR VOTING

**One.-** To review and, as the case may be, approve the Annual Financial Statements and Management Report of Pharma Mar, S.A. and its Consolidated Group for fiscal year 2016; the proposed allocation of earnings; and management by the Board of Directors during said period.

**Two.-** To reappoint the Company's Statutory Auditors.

**Three.-** To authorize the Board of Directors, in accordance with the provisions of Article 297.1.b) of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*), to increase share capital, within a maximum period of five years, if deemed convenient, by an amount equal to half of the current share capital, on a one-time basis or several times, in the manner and amount deemed appropriate, granting the power to exclude preemptive subscription rights, provided in all cases said right of exclusion shall be subject to a limit of 20% of the Company's share capital under the terms laid out in the proposed resolutions. To revoke and invalidate any unimplemented portions of Resolution Eleven of the General Shareholders Meeting held on 30 June 2015.

**Four.-** To delegate to the Board of Directors the authority to: issue debentures, bonds, notes and other fixed income securities, both simple as well as exchangeable and/or convertible, as well as to issue warrants or other analogous securities; establish the criteria for determining the basis and methods of conversion and/or exchange and, in the latter case, to increase share capital by the necessary amount and exclude the preemptive subscription rights of shareholders (although this power to exclude preemptive rights shall be limited to 20% of the Company's share capital as set forth in the proposed resolutions); guarantee the issues of subsidiaries, revoking and invalidating any unimplemented portions of Resolution Twelve, passed by the General Shareholders Meeting held on 30 June 2015.

**Five.-** To authorize the Board of Directors, with express power of substitution, to buyback treasury stock either directly or through Group companies.

**Six.-** To approve a Free of Charge Stock Ownership Plan for fiscal year 2018 aimed at officers and employees of the Group who, having an indefinite contract and receiving variable compensation, meet more than half of their targets set for fiscal year 2017, up to a total maximum limit of 500,000 shares in Pharma Mar, S.A., to be delivered in implementation of this Plan.

**Seven.-** To submit the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2016 to an advisory vote (Art. 541.4 of the Spanish Capital Corporations Law).

**Eight.-** To authorize the Board of Directors to interpret, remedy, supplement, implement, execute and develop the resolutions adopted by the General Meeting, both to record such resolutions in a public deed and to substitute the powers entrusted thereto by the General Meeting.

## **II. INFORMATIONAL ITEMS**

**Nine.-** To report to the General Meeting, in accordance with the provisions of Article 528 of the Spanish Capital Corporations Law, regarding any amendments to the Board of Directors Regulations.

**Ten.-** To report on any capital increases agreed to by the Board of Directors at its meeting on 17 May 2017 in exercise of the powers granted thereto by virtue of Resolution Eleven of the General Shareholders Meeting held on 30 June 2015 (To authorize the Board of Directors, in accordance with the provisions of Article 297.1.b) of the Spanish Capital Corporations Law, to increase share capital, within a maximum period of five years, if deemed convenient, by an amount equal to half of the current share capital, on a one-time basis or several times, in the manner and amount deemed appropriate, granting the power to exclude preemptive subscription rights).

### **SUPPLEMENT TO THE MEETING NOTICE AND PROPOSED RESOLUTIONS**

In accordance with the provisions of Article 519 of the Spanish Capital Corporations Law, shareholders representing at least 3% of share capital may: (i) request that a supplement to this General Meeting notice be published, including one or more Agenda items, provided that the new items are accompanied by a justification or, as the case may be, a justified proposed resolution; and (ii) submit justified proposed resolutions on topics included or to be included on the Agenda.

These rights may be exercised through attestable notice (which shall include the relevant documentation evidencing their status as a shareholder), which must be received at the registered offices of the Company (Avda. de los Reyes, 1, 28770 Colmenar Viejo, Madrid), addressed to the General and Board Secretary, within five days following publication of this meeting notice. The supplement referred to in section (i) above shall be published at least fifteen days before the date set for the General Meeting. The Company shall also ensure that all such proposed resolutions as referred to in paragraph (ii) above, as well as any accompanying documentation, if any, are sent to the remaining shareholders in accordance with Article 518 d) of the Spanish Capital Corporations Law.

### **RIGHT TO ATTEND, RIGHT OF REPRESENTATION AND PUBLIC REQUEST FOR PROXY**

The shareholders are hereby informed that shareholders who, individually or collectively, hold at least 100 shares, may attend the General Meeting, provided their shares have been registered in their name in the appropriate book entry record five days before the General Meeting is set to be held and provided this is evidenced via the relevant attendance card or certificate issued by any of the entities participating in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), or in any other manner permitted by the regulations in force.

Every shareholder with a right to attend the General Meeting in accordance with the provisions of the Corporate Bylaws may exercise such right by granting a proxy to any person, who does not necessarily have to be a shareholder. Proxies shall be granted in writing or, as the case may be, through long-distance communication, in accordance with the provisions of the Company's Bylaws and Board of Directors Regulations and shall be granted specifically for each Meeting, notwithstanding provisions of law applicable in the case of family representation or granting of general powers of attorney. In any case, for both voluntary and legal proxies, as well as for public proxy requests, only one proxyholder may be present at the General Meeting.

A proxy is always revocable. Personal attendance at the General Meeting shall have the effect of revocation.

If the represented shareholder issued instructions, the proxy shall cast their vote in accordance therewith and shall be required to save said instructions for a period of one year from the date the General Meeting was held.

Proxies may represent more than one shareholder, subject to no restriction on the number of shareholders represented. When a proxy represents various shareholders, the proxy may cast votes in a different direction when so required based on the instructions provided by each of the shareholders.

In any case, the number of shares represented shall be included for the purposes of establishing the valid quorum of the General Meeting.

In the case of public proxy requests, the document granting the proxy shall include or attach a copy of the agenda, as well as the request for instructions on exercising the voting right and an indication of the direction that the proxy shall vote in the event that specific instructions are not provided. A public request shall be deemed to exist when one single person holds a proxy for more than three shareholders.

Such delegation may also include items that, although not included on the agenda in the meeting notice, may be addressed at the meeting as permitted by law.

If no voting instructions are available due to the fact that the General Meeting is resolving on matters that by law do not have to be included on the agenda, the proxy shall cast the vote in the direction deemed most favorable to the interests of the shareholder represented thereby.

If the represented shareholder provided instructions, the proxy may vote in a different direction in the event of circumstances that were ignored at the time the instructions were sent and if voting with the instructions could harm the interests of the represented party.

In the last two cases, the proxy shall immediately notify the represented shareholder in writing, explaining the reasons for his/her vote.

If the proxy document received by the Company does not identify a proxy, the shareholder shall be deemed to have granted the proxy to the Chairman of the Board of Directors, to its Vice Chairman (or to its Deputy Vice Chairman, if any) or to the Board Secretary, in this order, in the event of absence or, if no instructions were provided in the proxy, of conflict of interest.

Likewise, in the event the proxy received, without voting instructions, was granted to any individual referred to in the preceding paragraph or to any other Director and said individual was subject to a conflict of interest, the proxy shall be understood granted to the relevant party of the remaining individuals mentioned in said paragraph (also following, in the event of absence or if any such individuals have a conflict of interest, the order in which they were listed), unless instructions to the contrary are provided by the represented shareholder. The documents granting the proxies to the Company's directors or Board Secretary shall include instructions on the direction of the vote and, if no such instructions are provided, the shareholder shall be deemed to have issued specific instructions to the proxyholder to vote in favor of the proposals made by the Board of Directors on the Agenda items listed in the meeting notice and against all proposed resolutions not made by the Board of Directors. Furthermore, the proxy granted to the directors or to the Board Secretary shall extend to those matters which, even if not appearing on the meeting Agenda, may be submitted to voting at the General Meeting, unless the represented shareholder instructed otherwise.

In any case, if there are no voting instructions, the new proxy shall vote in the direction deemed most favorable to the interests of the Company and the represented shareholder.

For the purposes of Articles 523 and 526 of the Spanish Capital Corporations Law, it is hereby stated that the Chairman and all other Directors have a conflict of interest with Agenda Item Seven (To submit the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2016 to an advisory vote (Art. 541.4 of the Spanish Capital Corporations Law). Furthermore, the Directors may have a conflict of interest in the event that, as permitted by law, any of the proposals referred to in sections b) (removal, resignation or termination) or c) (exercise of socially responsible corporate actions) of Article 526.1 of the Spanish Capital Corporations Law are submitted to the General Meeting. In the event of a conflict of interest and where the situation has not been resolved by the represented shareholder via specific instructions, the relevant provisions set forth in the preceding paragraphs of this meeting notice shall apply.

## **RIGHT TO INFORMATION**

From the time the meeting notice is published up until the General Meeting is held, the following texts and documents will be available to the shareholders and bondholders at the registered offices (Avda. de los Reyes, 1, 28770 Colmenar Viejo, Madrid), at the Company's offices in Madrid, (Plaza del Descubridor Diego de Ordás, núm. 3, planta 5ª, (CP 28003)) and on the Company's website ([www.pharmamar.com](http://www.pharmamar.com)), and they may otherwise request that the following be immediately delivered thereto, free of charge:

- (i) Annual Financial Statements and Management Reports of Pharma Mar, S.A. and its consolidated group for fiscal year ending 31 December 2016, together with the relevant audit reports.
- (ii) Full text of the meeting notice and proposed resolutions in relation to all items on the Agenda for the General Meeting which are being submitted to a vote. Proposed resolutions presented by shareholders, if any, in accordance with the provisions of Article 519 of the Spanish Capital Corporations Law shall also be included when received.
- (iii) Director's report on Agenda Item Three.
- (iv) Director's report on Agenda Item Four.

- (v) Annual Corporate Governance Report for fiscal year 2016, which shall be included in a dedicated section of the management report.
- (vi) Annual Report on Directors' Compensation for fiscal year 2016, as provided in Article 541 of the Spanish Capital Corporations Law.
- (vii) The Audit Committee's Report on independence of the external auditor.
- (viii) Report on the Audit Committee's operations.
- (ix) 2016 corporate social responsibility report for the Pharma Mar Group.
- (x) Amendments made to the Board of Directors Regulations of Pharma Mar, S.A. since the last General Meeting was held.
- (xi) Directors' reports and audit report, issued by a statutory auditor other than the Company's auditor and designated by the Mercantile Registry, in relation to the capital increases with exclusion of preemptive subscription rights agreed to by the Board of Directors on 17 May 2017, in exercise of the powers granted thereto, by virtue of Agenda Resolution Eleven of the Company's General Meeting held on 30 June 2015, to increase share capital.
- (xii) The total number of shares and voting rights of the Company as of the publication date of this General Meeting notice.
- (xiii) Form of attendance, proxy, and distance voting card.
- (xiv) Rules on distance voting and proxies.

In accordance with the provisions of Articles 197 and 520 of the Spanish Capital Corporations Law, up until the fifth day before the date on which the Meeting is to be held, the shareholders may submit, in writing, questions or requests for information or clarifications related to the Agenda items, audit report or publicly available information provided by the Company to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) since 23 June 2016, on which date the last General Meeting was held. This right to information may be exercised, in writing, by post to Pharma Mar, S.A.'s address (addressed to the GENERAL SHAREHOLDERS MEETING, JUNE 2017) in Madrid (Plaza del Descubridor Diego de Ordás, núm. 3, planta 5ª, Madrid, 28003) or in Colmenar Viejo (Avda. de los Reyes, 1, 28770 Colmenar Viejo, Madrid), or by delivery to the aforementioned addresses, as well as through long-distance communications through the Company's website ([www.pharmamar.com](http://www.pharmamar.com)) in the manner described therein.

Any other supplemental information related to the General Meeting notice that has not been expressly provided herein may be found on the Company's website ([www.pharmamar.com](http://www.pharmamar.com)). From the time of publication of this meeting notice up until the General Meeting is held, all documents and information, as legally required, shall be continually made available on said website.

## ELECTRONIC SHAREHOLDER FORUM

In accordance with Article 539.2 of the Spanish Capital Corporations Law, the Company, as from the time of publication of this meeting notice, has opened an Electronic Shareholder Forum on its website ([www.pharmamar.com](http://www.pharmamar.com)). The regulations for use of this Forum were approved by the Board of Directors at its meeting held on 28 April 2016. Instructions for accessing and using the Electronic Forum are provided on said website.

### VOTING AND PROXY BY LONG-DISTANCE COMMUNICATION METHODS

The shareholders may grant a proxy or cast their vote using long-distance communication methods:

#### 1. Vote or proxy by electronic means

Electronic voting and granting of proxies shall be made using the [Electronic Voting and Proxy Platform](#) software, which may be accessed on the website ([www.pharmamar.com](http://www.pharmamar.com)) by following the relevant instructions provided in the software for each action. For such purpose, the shareholders shall hold a recognized electronic certificate in force and issued by the Spanish Mint (FNMT) or other certifying agency as listed on the Company's website and shall evidence their status as a shareholder as specified in said platform. Only electronic votes and proxies granted in compliance with the conditions set forth on the website and which are received by the Company within the period established for such purposes in section 3.3, *infra*, shall be deemed valid, as soon as the shareholder status of the shareholder casting the vote or granting the proxy has been confirmed.

#### 2. Vote or delegation by delivery or post

**2.1 Vote by post.** In order to cast a distance vote by postal service, shareholders must complete and sign the "Distance Voting by Post" section on the attendance, proxy or distance voting card issued in paper format by the entity participating in IBERCLEAR in which they have their shares deposited. After having filled out and signed the attendance, proxy and distance voting card in the "Distance Voting by Post" section, the shareholders may send the card via post or an equivalent courier service to the following address: Pharma Mar, S.A. (GENERAL SHAREHOLDERS MEETING JUNE 2017) Plaza del Descubridor Diego de Ordás 3, 5ª Planta, (28003) Madrid. Shareholders may also deliver the filled-out and signed card to the entity participating in IBERCLEAR at which they have deposited their shares, although they must make sure that the entity forwards the card to Pharma Mar, S.A. in due time (within the period established in section 3.3, *infra*) and form.

In the event that the attendance card issued by the entity participating in IBERCLEAR does not include the section dedicated to "Distance Voting by Post," shareholders who wish to cast a distance vote by post must download and print out a hardcopy of the "Distance Attendance, Proxy and Voting Card by Post" from Pharma Mar S.A.'s website [www.pharmamar.com](http://www.pharmamar.com), which they must fill out and sign, together with the original attendance card issued by the participating entity in IBERCLEAR. Once both cards have been filled out and signed, the shareholder shall send the cards by post or equivalent courier services to the address and in the manner provided for in the preceding paragraph.

**2.2. Proxy by post.** In order to delegate a proxy by postal service, shareholders must complete and sign the proxy section of the attendance card issued in paper format by the entity participating in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U (IBERCLEAR). Proxies granted to any director of the Company shall be sent directly to the Company at the following address: Pharma Mar, S.A. (GENERAL SHAREHOLDERS MEETING, JUNE 2017) Plaza del Descubridor Diego de Ordás 3, 5ª Planta, (28003) Madrid, or may be delivered to the entity participating in IBERCLEAR in which the shareholder has his/her shares deposited, ensuring that said entity forwards the card to Pharma Mar, S.A. in due time (within the period established in section 3.3, *infra*) and form.

### **3. Common rules on exercising the right to vote and grant a proxy by post and electronic means**

**3.1 Implementing regulations.** In addition to the provisions of this meeting notice, the rights to vote and grant a proxy through electronic means or by post shall be exercised in accordance with the rules approved by the Board of Directors at its meeting on 26 May 2017, which are listed on the Company's website ([www.pharmamar.com](http://www.pharmamar.com)) under the section titled "Distance Voting and Proxies."

**3.2 Verification of shareholder identity.** The validity of the votes and proxies granted by means of distance communication shall be subject to verification of the information provided by the shareholder against the file provided by IBERCLEAR or by any other means that enable the Company to verify their shareholder status and the number of shares held thereby.

**3.3. Deadline for receipt by the Company of long-distance proxies and votes.** In order to be valid, votes and proxies granted via either post or electronic means must be received by the Company before midnight (12:00 A.M.) on the day immediately preceding the date on which the General Meeting is to be held in first call. Otherwise, the proxy shall be deemed not to have been granted and the vote not cast.

**3.4. Priority rules for attendance, votes and proxies by means of long-distance communication.** Personal attendance at the Shareholders Meeting by shareholders who have granted a proxy or already cast their vote via long-distance means will render the proxy or vote cast via long-distance means null and void. Votes cast by any means of distance communication shall invalidate any distance proxy granted by any means, whether prior to receipt of the vote by the Company, in which case the proxy shall be deemed revoked, or after receipt of the vote by the Company, in which case the proxy shall be deemed not to have been granted. If a shareholder casts various votes, the most recent vote cast before the Meeting is held shall prevail, and all prior votes received shall be deemed invalid. If a shareholder has granted several proxies, the most recent proxy granted before the Meeting is held shall prevail, and all other previously granted proxies shall be deemed invalid.

**3.5 Distance Proxies.** The proxyholder can only exercise the proxy by attending the Shareholders Meeting in person.

### **PARTICIPATION OF NOTARY PUBLIC AT GENERAL MEETING**

The Board of Directors has agreed to require the presence of a Notary Public to draft the minutes for the Meeting, in accordance with the provisions of Article 203 of the Spanish Capital Corporations Law.

## **PROTECTION OF PERSONAL DATA**

The personal data submitted by the shareholders to the Company to exercise their rights of attendance, delegation and voting at the General Meeting or to use the Electronic Shareholder Forum, or which are furnished by banking institutions and stock brokers and dealers with whom said shareholders have their shares deposited, through the entity legally qualified to carry out the book-entry records (IBERCLEAR), shall be processed for the sole purposes of managing, complying and controlling the existing shareholder relationship. The shareholders are further informed that said data will be included in a file held by the Company. This data will be provided to the Notary Public exclusively in relation to drawing up the notarial deed containing the minutes of the General Shareholders Meeting. With a view to ensuring its oversight and adequate dissemination, all or part of the General Shareholders Meeting may be recorded and broadcast and made available to the public on the Company's website ([www.pharmamar.com](http://www.pharmamar.com)). The shareholders will be able to exercise their rights of access, correction, removal and opposition, in accordance with the provisions of Organic Law 15/1999, of 13 December, on the protection of personal data, by submitting written notice to the Company at the following address: Plaza del Descubridor Diego de Ordás, núm. 3, planta 5ª, Madrid (28003).

**THE GENERAL MEETING IS EXPECTED TO BE HELD IN SECOND CALL ON 29 JUNE 2017 AT THE PLACE AND TIME INDICATED HEREIN ABOVE, UNLESS THE SHAREHOLDERS ARE OTHERWISE NOTIFIED IN THE DAILY PRESS.**

Colmenar Viejo (Madrid), 26 May 2017  
Secretary of the Board of Directors  
Mr. Sebastián Cuenca Miranda

**Annual General Shareholders Meeting**



Proposed Resolutions  
submitted by the Board of Directors  
to the decision  
of the **General Shareholders Meeting**

*VIGO, 28 - 29 JUNE 2017*

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## PROPOSED RESOLUTION TO AGENDA ITEM 1

**To review and, as the case may be, approve the Annual Financial Statements and Management Report of Pharma Mar, S.A. and its Consolidated Group for fiscal year 2016; the proposed allocation of earnings; and the management by the Board of Directors during said period.**

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1. Approve, under the terms set forth in the relevant statutory provisions, the Annual Financial Statements (Balance Sheet, Income Statement, Statement of Changes in Net Equity, Cash Flow Statement and Notes to the Financial Statements) and Management Report of Pharma Mar, S.A. for fiscal year ending 31 December 2016, as well as the Annual Financial Statements (Balance Sheet, Income Statement, Statement of Changes in Net Equity, Cash Flow Statement and Notes to the Financial Statements) and Management Report for its Consolidated Group for the same period.

It is expressly stated that the aforementioned accounting documents have been audited by PRICEWATERHOUSECOOPERS Auditores S.L., and their report, together with all other documents forming part of the Annual Financial Statements, were made available at that time to the shareholders and have been delivered to the attendees at this General Meeting.

2. As regards allocation of earnings, approve the allocation of losses in the amount of ELEVEN MILLION FOUR HUNDRED SEVENTY-THREE THOUSAND EIGHT HUNDRED AND FIFTY EUROS AND EIGHTY-SEVEN CENTS (€11,473,850.87) to increase the negative income statement balance from previous fiscal years.
3. Approve the management by the Board of Directors of Pharma Mar, S.A. for fiscal year 2016.

## PROPOSED RESOLUTION TO AGENDA ITEM 2

### **To reappoint the Company's Statutory Auditors.**

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As the one-year period for which PRICEWATERHOUSE COOPERS Auditores S.L. was reappointed as the Company's Statutory Auditor has ended, reappoint said company, with registered offices in Madrid, Paseo de la Castellana 259-B, and holding Spanish Tax ID (C.I.F.) B-79031290, and registered with the Special Registry of Statutory Auditors under number S0242, as the Company's Statutory Auditor for a period of one year.

This resolution was proposed by the Audit Committee and subsequently confirmed by the Board of Directors of Pharma Mar, S.A.

It should be noted that by virtue of Resolution Two adopted by the General Meeting of Pharma Mar, S.A. on 30 June 2015, PRICEWATERHOUSE COOPERS Auditores S.L. was appointed as the Statutory Auditor of the Company's Consolidated Group for a period of three (3) years (comprising fiscal years ending on 31 December 2015, 2016 and 2017).

### PROPOSED RESOLUTION TO AGENDA ITEM 3

**To authorize the Board of Directors, in accordance with the provisions of Article 297.1.b) of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*), to increase share capital, within a maximum period of five years, if deemed convenient, by an amount equal to half of the current share capital, on a one-time basis or several times, in the manner and amount deemed appropriate, granting the power to exclude preemptive subscription rights, provided in all cases said right of exclusion shall be subject to a limit of 20% of the Company's share capital under the terms laid out in the proposed resolutions. Revoke and invalidate any unimplemented portions of Resolution Eleven of the General Shareholders Meeting held on 30 June 2015.**

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- I) Revoke and invalidate any unimplemented portions of the authorization granted by virtue of Resolution Eleven of the General Shareholders Meeting held on 30 June 2015.
- II) Authorize the Board of Directors, as extensively as may be required by law, in accordance with the provisions of Article 297.1.b) of the Spanish Capital Corporations Law, to increase share capital, on a one-time basis or several times, within a maximum period of five years of the holding of this General Meeting, by a maximum amount equal to half of the share capital of Pharma Mar, S.A. at the time this General Meeting is held, by issuing new shares, with or without a premium, with the counter value of the new shares being settled by way of monetary contributions. In this regard, the Board of Directors may also set the terms and conditions of the capital increase as well as the characteristics of the shares, including determining the investors and markets to whom the capital increase will be directed and the placement procedure to be followed, freely offering new unsubscribed shares in the preemptive subscription period(s); provide that, in the event of an incomplete subscription, capital shall only be increased in the amount of subscriptions made; and amend provisions of the corporate Bylaws as related to capital. The available limit from time to time shall include the amount of capital increases that, as the case may be, with a view to converting bonds, are carried out in accordance with the resolution passed in relation to Agenda Item Four of this General Shareholders Meeting. Furthermore, the Board of Directors is entitled to exclude, in whole or in part, preemptive subscription rights under the terms of Article 506 of the Spanish Capital Corporations Law, provided in all cases the nominal amount of any capital increases agreed to or effectively carried out pursuant to the authority delegated herein and in the resolution proposed under Agenda Item Four of this Meeting to exclude preemptive rights shall not exceed a maximum nominal amount, jointly, of 20% of the Company's share capital at the time of this delegation. In any event, if the Board decides to exclude preemptive subscription rights in relation to any or all such capital increase(s), the Board shall, at the time the resolution for capital increase is passed, issue a report detailing the specific corporate interests justifying such measure, which shall be subject to the relevant report of the statutory auditor as referred to in Article 506 of the Spanish Capital Corporations Law. Said reports shall be made available to the shareholders and shall be reported to the first General Meeting to be held after the resolution on the issue was adopted.

This authority includes the power to carry out any procedures necessary to ensure the new shares under the capital increase(s) are admitted to trade on the securities markets on which the shares of Pharma Mar, S.A. are listed, as well as on any other stock exchanges, regulated markets, multi-lateral trading systems or other trading markets or systems, whether in Spain or abroad, in accordance with the procedures set forth for each such trading market or system, and in all cases complying with applicable rules on admission, listing and delisting.

The Board of Directors is also authorized to delegate the powers granted by this resolution to the Executive Committee or to any other Director or individual as it deems appropriate, provided said powers are delegable under law.

## PROPOSED RESOLUTION TO AGENDA ITEM 4

**To delegate to the Board of Directors the authority to: issue debentures, bonds, notes and other fixed income securities, both simple as well as exchangeable and/or convertible, as well as to issue warrants or other analogous securities; establish the criteria for determining the basis and methods of conversion and/or exchange and, in the latter case, to increase share capital by the necessary amount and exclude the preemptive subscription rights of shareholders (although this power to exclude preemptive rights shall be limited to 20% of the Company's share capital as set forth in the proposed resolutions); guarantee the issues of subsidiaries, revoking and invalidating any unimplemented portions of Resolution Twelve, passed by the General Shareholders Meeting held on 30 June 2015.**

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- I) Revoke and invalidate any unimplemented portions of Resolution Twelve of the General Shareholders Meeting held on 30 June 2015.
- II) Delegate to the Board of Directors, in accordance with Article 319 of the Commercial Registry Regulations and with the general regime for bond issues, the power to issue fixed income securities, including warrants and other analogous securities, subject to the following conditions:
  - 1. The aforementioned fixed securities issue may be carried out one-off or on several occasions within the maximum period of five years from the date this resolution is adopted.
  - 2. The maximum aggregate amount for fixed income securities issue(s) as approved pursuant to this authority shall be ONE HUNDRED MILLION EUROS (€100,000,000.00) or its equivalent in another currency. For the purposes of calculating said limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants for each issue approved under this authority shall be taken into account.
  - 3. Fixed income securities issued may include debentures, bonds, notes and other fixed income securities, both simple and, in the case of debentures and bonds, exchangeable for shares in the Company or any other company (whether or not a Group company) and/or convertible into shares of the Company, as well as warrants or other analogous securities which may directly or indirectly grant a right to subscribe or acquire shares in the Company, whether newly-issued or outstanding.
  - 4. This authority shall include the setting of the various aspects and conditions of each issue (par value, issue type, redemption price, issue currency, interest rate, redemption, anti-dilution mechanisms, subordination clauses, issue guarantees, place of issue, admission to trading, etc.) and to the performance of such procedures as may be necessary or convenient, including as required by applicable securities market regulations, for the execution of specific issues approved pursuant to this authority.
  - 5. In the case of issues of convertible and/or exchangeable debentures or bonds, and in order to determine the basis and methods of conversion and/or exchange, the following criteria are established:
    - a) The conversion and/or exchange ratio may be fixed or variable, for which purpose fixed income securities shall be valued at their par value and shares shall be valued at the fixed or variable exchange ratio established by the Board of Directors.

- b) In the event that a fixed conversion and/or exchange ratio is established, the shares shall be valued at the fixed rate set by the Board of Directors or at the quotation determined on the date(s) specified in the resolution of the Board of Directors, on the basis of the trading value of the Company's shares on the Stock Exchange Continuous Market for the date(s) or period(s) taken as reference in said resolution (with or without discounts and/or premiums). In any case, the minimum price of the shares may not be lower than the greater of (i) the arithmetic mean of the closing prices of the Company's shares on the Stock Exchange Continuous Market during a period to be determined by the Board of Directors, not greater than three months or less than fifteen days, prior to the date on which the Board of Directors meeting is held in which, making use of this authority, the issue of debentures or bonds is approved; and (ii) the closing price of the shares on said Stock Exchange Continuous Market on the day before said Board of Directors meeting is held.
- c) In the event that a variable conversion and/or exchange ratio is established, the shares shall be valued for conversion and/or exchange purposes at the arithmetic mean of the closing prices of the Company's shares on the Stock Exchange Continuous Market during a period to be determined by the Board of Directors, not greater than three months or less than five days prior to the conversion and/or exchange date, subject to a premium or, as the case may be, a discount on said price per share. The premium or discount may be different for each conversion and/or exchange date of each issue (or, as the case may be, each issue tranche). However, in the event the price per share is discounted, such discount may not exceed 30%.
- d) Bonds may not be converted into shares when the par value of the former is less than that of the latter. Furthermore, share value for purposes of the conversion ratio, adjusted for anti-dilution clauses, may under no circumstances be less than its par value.

The securities issued shall be convertible into new shares of Pharma Mar and/or exchangeable for outstanding shares of the Company, as determined by the Board of Directors, who shall be empowered to determine whether the securities would be voluntarily or necessarily convertible and/or exchangeable and, if voluntarily, whether this would be at the option of the holder and/or of the issuer thereof, as well as their frequency and term of duration, which shall be established in the issue resolution. The Board of Directors may also establish, in the event the issue is convertible and exchangeable, that the issuer reserves the right to choose, at any time, between conversion into new shares or exchange for outstanding shares, specifying the nature of the shares to be delivered upon conversion or exchange, and may even choose to deliver a combination of newly-issued and outstanding shares, as well as to provide for conversion and/or exchange to be satisfied by delivery of shares or for-difference/synthetic securities, with the relevant authority to subscribe, as the case may be, such derivatives as may be appropriate. In all cases the issuer shall ensure equal treatment as between all holders of fixed income securities being converted and/or exchanged on a given date.

- e) When a conversion and/or exchange is carried out, any fractional shares that, as the case may be, may have to be delivered to the note or bondholder shall be rounded downward to the immediately preceding whole number, and each holder shall receive, as laid out in the issue conditions, in cash, any difference which may arise in such case.
  - f) At the time any issue of convertible and/or exchangeable debentures or bonds is approved pursuant to the authorization granted in this resolution, the Board of Directors shall issue a Directors' Report explaining the basis and methods of conversion. This report shall be submitted with the relevant auditors' report referred to in Article 414 of the Spanish Capital Corporations Law.
6. In the case of an issue of warrants or other analogous securities (to which the provisions of the Spanish Capital Corporations Law on convertible securities shall apply by analogy), the following criteria are established:
- a) The exercise price of the warrants may be fixed or variable.

- b) In the event of a fixed price, said price shall be determined by the Board of Directors or at the rate determinable on the date(s) specified in the resolution of the Board of Directors, on the basis of the trading value of the Company's shares on the Stock Exchange Continuous Market on the date(s) or period(s) of reference in accordance with said resolution (with or without discounts and/or premiums). In all cases the minimum exercise price may not be lower than the greater of (i) the arithmetic mean of the closing prices of the Company's shares on the Stock Exchange Continuous Market during a period to be determined by the Board of Directors, not greater than three months or less than fifteen days, prior to the date on which the Board of Directors meeting is held in which, making use of this authority, the warrants issue is approved; and (ii) the closing price of the shares on the Stock Exchange Continuous Market on the day before said Board of Directors meeting is held.
  - c) In the event of a variable exercise price, said price shall be calculated as the arithmetic mean of the closing prices of the Company's shares on the Stock Exchange Continuous Market during a period to be determined by the Board of Directors, not greater than three months or less than five days prior to the conversion and/or exchange date, subject to a premium or, as the case may be, a discount on said price. The premium or discount may be different for each exercise date (or, as the case may be, each issue tranche). However, in the event the price per share is discounted, such discount may not exceed 30%.
  - d) When warrants are issued with simple exchange rates or at par, i.e. one share per warrant, the sum of the premium(s) paid for each warrant plus the exercise price may not in any case be less than the trading value of the Company's shares, as per the provisions of the preceding paragraphs, or less than its par value. When warrants are issued with multiple exchange ratios, i.e. ratios other than one share per warrant, the sum of the premium(s) paid for the warrants issued as a whole and their aggregate exercise price may not in any case be less than the result of multiplying the number of shares underlying the total warrants issued by the list value of the share of the Company considered in accordance with the provisions of the preceding paragraphs, or less than its par value.
  - e) The warrants issued in accordance with this resolution may give rise to a right to subscribe to new shares of the Company and/or to acquire outstanding shares of the Company, or a combination of both. In any case, the Company may reserve the right to choose, at the time of exercise of the warrant, between delivering new shares, outstanding shares or a combination of both, as well as to satisfy exercise thereof by delivery of shares or for-difference/synthetic securities, with the relevant authority in such case to subscribe such derivatives as may be appropriate. In all cases the issuer shall ensure equal treatment as between all holders of warrants being exercised on a given date.
  - f) At the time an issue of warrants is approved pursuant to this authorization, the Board of Directors shall issue a report detailing and specifying, based on the above-mentioned criteria, the specific basis and methods applicable to exercise of such issue. In accordance with the application by analogy of Article 414 of the Spanish Capital Corporations Law, this report shall be accompanied by the related auditors' report.
7. In all cases the authorization to issue warrants and convertible and/or exchangeable debentures or bonds shall include:
- a) The authority to increase capital by the amount necessary in order to fill requests for conversion or the exercise of warrants. Said authority may only be exercised to the extent to which the total nominal amount of capital increases used to cover the issue of convertible debentures or bonds and of warrants and all remaining capital increases which may have been approved pursuant to the authorities granted by this Meeting, exceeds the limit of one-half of the share capital as provided by Article 297.1 b) of the Spanish Capital Corporations Law as at the date hereof. Furthermore, the nominal amount of any capital increases agreed to or effectively carried out pursuant to the authority delegated herein and in the resolution passed in relation to Agenda Item Three of this Meeting, in both cases with the exclusion of preemptive subscription rights shall not exceed a maximum nominal amount, jointly, of 20% of the Company's share capital at the time of this delegation.

- b) The authority to exclude the preemptive subscription rights of shareholders in accordance with Article 511 of the Spanish Capital Corporations Law, when so required in the interests of the Company. In any case, if the Board decides to remove the preemptive subscription right in relation to a specific issue of convertible debentures or bonds or of warrants that it may carry out pursuant to this authorization, it shall issue, at the time the issue is approved, a report detailing the specific corporate interests justifying such decision, which shall be subject to the relevant report from the statutory auditor, as referred to under Article 417.2 and 511.3 of the Spanish Capital Corporations Law. Said reports shall be made available to the shareholders and shall be reported to the first General Meeting to be held after the resolution on the issue was adopted.
  - c) The authorization to determine the basis and methods for conversion and/or exchange as set forth in paragraphs 5 and 6, *supra*, and, in particular, to determine the time for conversion and/or exchange, which may be limited to a pre-determined period; to specify ownership of the right to conversion and/or exchange, which may be attributed to the Company or to the bondholders; to meet obligations to bondholders or warrant holders (via conversion, exchange or a combination of conversion and exchange, to be determined thereby at the time of enforcement, and which may include delivery of for-difference/synthetic securities, in which case the Board of Directors shall execute such derivatives as may be necessary or convenient); and, in general, authorization for such other matters and conditions as may be necessary or convenient for such issue.
- 8. The Board of Directors is also authorized to guarantee, on behalf of the Company, the issue of fixed income securities by its subsidiaries.
  - 9. The Board of Directors, at future General Meetings of the Company, shall report to the shareholders on its use, as the case may be, as of said date, of the authorizations granted by virtue of this resolution.
  - 10. The Company may request admission to trade of debentures, bonds, warrants and other securities issued pursuant to this authorization, on any stock exchanges, regulated markets, multi-lateral trading systems or other trading markets or systems, whether in Spain or abroad, in accordance with the procedures set forth for each such trading market or system, and in all cases complying with applicable rules on admission, listing and delisting. In this regard, the Board shall be empowered to determine the market and carry out the formalities and actions necessary for admission to trading before the competent bodies of the various national or foreign securities markets.

Authorize the Board of Directors to delegate the powers granted by this resolution to the Executive Committee or to any other Director or individual as it deems appropriate, provided said powers are delegable under law.

## PROPOSED RESOLUTION TO AGENDA ITEM 5

**To authorize the Board of Directors, with express power of substitution, to buyback treasury stock either directly or through Group companies.**

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Pursuant to the provisions of Article 146 and related provisions and of Article 509 of the Spanish Capital Corporations Law, it is resolved to authorize the Company's Board of Directors (as well as its subsidiaries), with the express power of substitution, to acquire, during a period of five years from the date of this General Meeting, at any time and as many times as deemed appropriate and by any means permitted by law, the Company's shares in accordance with the following provisions and requirements in addition to those provided by the legal provisions in force:

**A. Means of acquisition**

Acquisitions shall be made through sale and purchase transactions, swap transactions or other means permitted by law.

**B. Maximum limit**

Company shares with a par value, in aggregate with shares already held by the Company and its subsidiaries, that does not exceed 10% of the Company's subscribed capital from time to time.

**C. Purchase price when for consideration**

- (i) Maximum acquisition price: 10% of the trading price of the Company's shares in the Spanish Stock Exchange Interconnection System at the time of acquisition.
- (ii) Minimum acquisition price: par value of the Company's shares.

The Company's Board of Directors (and the boards of its subsidiaries) are authorized, for the period and in accordance with the terms established in the preceding paragraphs to the extent applicable and at arm's length, to acquire the Company's shares using loans.

It is hereby expressly authorized that treasury stock acquired may be used in whole or in part towards (i) its disposal; (ii) delivery to employees, executives, directors (for the purposes provided in Article 146 of the Spanish Capital Corporations Law); and (iii) reinvestment plans for dividends or similar instruments.

Render void the unimplemented portion of Resolution Four of the General Shareholders Meeting held on 23 June 2016, also governing authorization to acquire treasury stock.

## PROPOSED RESOLUTION TO AGENDA ITEM 6

**To approve a Free of Charge Stock Ownership Plan for fiscal year 2018 aimed at officers and employees of the Group who, having an indefinite contract and receiving variable compensation, meet more than half of their targets set for fiscal year 2017, up to a total maximum limit of 500,000 shares of Pharma Mar, S.A., to be delivered in implementation of this Plan.**

Approve a new Free of Charge Stock Ownership Plan (hereinafter, the "Plan") that will allow certain officers and employees of the Group to receive in fiscal year 2018, based on the extent to which 2017 targets are met, free shares of Pharma Mar, S.A. The Board of Directors is delegated to develop and implement the aforesaid Plan within the limits established in this resolution.

The Plan will have a dual objective: on the one hand, to reward employees and officers who had satisfactory performance in 2017 and, on the other hand, to stimulate employee loyalty and retention within the Group.

The Board of Directors will base the design and implementation of the Plan on the foundations established below.

### 1.- SUBJECTIVE SCOPE

The Plan will be directed at management teams and employees from the following Pharma Mar Group companies: Pharma Mar, S.A.; Xylazel, S.A.; Zelnova Zeltia, S.A.; Sylentis, S.A. Sociedad Unipersonal; Genomica, S.A. Sociedad Unipersonal; and Genomica AB, provided they meet all of the following criteria:

- 1.- Have an indefinite contract and have completed, as the case may be, their probationary period as of 31 December 2017. In the case of Xylazel, S.A. and Zelnova Zeltia, S.A., only those employees that belong to professional group 0 will be eligible as beneficiaries, as well as all other employees that, although not belonging to said professional group, are determined by the Board of Directors of said companies to be eligible. In the latter case, the Board may not designate more than twenty-five employees for each company (in addition to those belonging to professional group 0).
- 2.- Receive variable compensation in 2018 for meeting targets established for fiscal year 2017.
- 3.- Meet over 50% of the targets set by their Department Head or line manager for fiscal year 2017.

The Plan will apply both to current employees and officers that meet the eligibility conditions for being a beneficiary as well as to new staff that join the Group during the term of the Plan, provided the new staff member meets the three aforementioned conditions.

Under no circumstances shall the members of the Board of Directors of Pharma Mar, S.A. be eligible as beneficiaries, even if they hold executive positions in any Group companies.

## **2.- OBJECTIVE SCOPE**

The Board of Directors shall decide on the number of shares to be received by each beneficiary based on the amount of variable compensation received in 2018 and the extent to which they met the targets established by their Department Head or line manager for 2017.

A maximum of 500,000 shares will be delivered in implementation of the Plan. The shares for the Plan shall come from treasury stock held by Pharma Mar, S.A. at the time the Plan is implemented.

## **3.- CONDITIONS**

The Board of Directors shall seek to establish proper conditions to ensure that the Plan's purpose of increasing the loyalty of its beneficiaries is met, establishing the relevant periods necessary for guaranteeing the availability of the shares, as well as the consequences for breach by the beneficiary of the Plan terms, which may include the total or partial loss of the shares granted.

Furthermore, the Board may decide on those guarantees required to be granted by the beneficiaries over the shares granted in order to ensure compliance with the Plan.

The Board of Directors is also authorized to delegate the powers granted by this resolution to the Executive Committee or to any other director or individual as it deems appropriate, provided said powers are delegable under law.

This resolution was proposed by the Appointments and Compensation Committee and subsequently confirmed by the Board of Directors.

**PROPOSED RESOLUTION TO AGENDA ITEM 7**

**To submit the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2016 to an advisory vote (Art. 541.4 of the Spanish Capital Corporations Law).**

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Approve, on an advisory basis, the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2016, the full text of which was made available to the shareholders, together with all other documents related to the General Shareholders Meeting, as from the time the meeting notice was published. A copy of said text is attached to the minutes as a Schedule.

## PROPOSED RESOLUTION TO AGENDA ITEM 8

**To authorize the Board of Directors to interpret, remedy, supplement, implement, execute and develop the resolutions adopted by the General Meeting, both to record such resolutions in a public deed and to substitute the powers entrusted thereto by the General Meeting.**

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Notwithstanding the authorizations granted in the preceding resolutions, authorize the Board of Directors, with the fullest powers required by law, with express power of substitution in favor of the Executive Committee or any Director or individual as deemed appropriate, to interpret, remedy, supplement and implement all of the above resolutions adopted by the General Meeting.

Empower the Chairman of the Board of Directors, Mr. José María Fernández Sousa-Faro; the Vice Chairman of the Board of Directors, Mr. Pedro Fernández Puentes; the Secretary of the Board of Directors, Mr. Sebastián Cuenca Miranda ; and the Vice Secretary of the Board of Directors, Ms. María Concepción Sanz López, such that any of them, indistinctly, may record the resolutions passed by the General Meeting in this session in a public deed and may execute any public and private documents necessary or convenient in order to implement said resolutions, including the power to apply for the partial registration, amendment and remedy of the content thereof to the extent necessary to bring them in line with the verbal or written requirements of the Mercantile Registry or of any other administrative bodies or authorities. Furthermore, the aforementioned individuals are expressly authorized, on the same joint and several basis, to make the required registration of annual financial statements and other applicable documents with the Mercantile Registry.