



Befesa S.A.

société anonyme

46, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg B 177697

- ISIN LU 1704650164 -

Convening Notice

The shareholders of Befesa S.A. (the "Company"),
are hereby invited to attend the

Annual General Meeting of our Company

to be held on Thursday, 18 June 2020 at 12:00 CEST

via audio conference initiated from
Luxembourg, Grand Duchy of Luxembourg,

to deliberate and vote on the following agenda:

A. Agenda and Proposed Resolutions for the Annual General Meeting of the Company

1. Presentation of the management report of the board of directors of the Company (the "Board of Directors"), including the corporate governance report, and of the reports of the independent auditor (*réviseur d'entreprises agréé*) on the Company's consolidated financial statements for the financial year ended 31 December 2019, prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, and on the Company's annual accounts for the financial year ended 31 December 2019, prepared in accordance with Luxembourg Generally Accepted Account Principle(s) ("GAAP").

No resolution required.

2. **Approval of the Company's consolidated financial statements for the financial year ended 31 December 2019.**

The Board of Directors proposes that the General Meeting approves the consolidated financial statements for the financial year ended 31 December 2019 in their entirety, showing a consolidated net profit of EUR 82,713,000 (eighty-two million seven hundred thirteen thousand Euro).

3. **Approval of the Company's annual accounts for the financial year ended 31 December 2019.**

The Board of Directors proposes that the General Meeting approves the annual accounts for the financial year ended 31 December 2019 in their entirety, showing a net profit of EUR 45,507,604.03 (forty-five million five hundred seven thousand six hundred four Euro and three Euro cents).

4. **Allocation of results for the financial year ended 31 December 2019.**

The Board of Directors proposes that the General Meeting resolves to approve the distribution of a dividend in an amount of EUR 0.44 (forty-four Euro cents) gross per share resulting in an aggregate dividend distribution in an amount of EUR 14,989,350.20 (fourteen million nine hundred eighty-nine thousand three hundred fifty Euro and twenty Euro cents) gross and to allocate the results of the Company based on the stand-alone annual financial statements of the Company, prepared in accordance with Luxembourg GAAP, for the financial year ended 31 December 2019 as follows:

	in EUR
Profit for the financial year 2019	45,507,604.03
Allocation to the legal reserve	539,535.42
Allocation to an available reserve	29,978,718.41
Proposed dividend (0.44 EUR per share)	14,989,350.20

The General Meeting acknowledges that the first date for trading shares with no entitlement to receive the dividend shall be 19 June 2020 (Ex-Date). The payment of the dividend shall commence on 2 July 2020.

5. Granting of discharge to each of the members of the Board of Directors of the Company for the exercise of their mandate during the financial year ended 31 December 2019.

The Board of Directors proposes that the General Meeting approves that discharge be granted to each of the members of the Board of Directors of the Company for the execution of their mandates as directors of the Company during the financial year ended 31 December 2019.

6. Ratification and appointment of Mr Helmut Wieser as independent non-executive director of the Company.

The Board of Directors proposes that the General Meeting ratifies and approves the appointment by co-optation of Mr Helmut Wieser as independent non-executive director of the Company in substitution of Mr Johannes Maret with effect as of 24 July 2019 for a term of office ending on the General Meeting approving the annual accounts for the financial year ending on 31 December 2021 and to be held in 2022, and (ii) approves and, to the extent necessary, ratifies the entering by the Company into a director's agreement with Mr Helmut Wieser and of his fixed remuneration consisting in a gross fee of EUR 30,000 for the financial year ended 2019 equalling to an annual gross fee of EUR 60,000.

7. Ratification and appointment of Mr Asier Zarraonandia Ayo as executive director of the Company.

The Board of Directors proposes that the General Meeting ratifies and approves the appointment by co-optation of Mr Asier Zarraonandia Ayo as executive director of the Company in substitution of Mr Roland Oelschläger with effect as of 24 July 2019 for a term of office ending on the General Meeting approving the annual accounts for the financial year ending on 31 December 2021 and to be held in 2022.

8. Approval and, to the extent necessary, ratification of the fixed remuneration of the non-executive members of the Board of Directors for the financial year ending on 31 December 2020.

The Board of Directors proposes that the General Meeting approves and, to the extent necessary, ratifies the fixed remuneration for the non-executive members of the Board of Directors for the financial year ending on 31 December 2020, in an aggregate gross annual amount for all non-executive directors of EUR 470,000, comprised of the following gross annual amounts:

- EUR 150,000 for the position of the Chairman of the Board
- EUR 80,000 for the position of the Chairman of the Audit Committee
- EUR 60,000 each for the remaining four positions of the non-executive members of the Board of Directors

9. Approval and, to the extent necessary, ratification of the long-term compensation plan for the non-executive members of the Board of Directors.

The Board of Directors proposes that the General Meeting approves, and, to the extent necessary, ratifies the decision to put in place a long-term compensation plan similar to the one approved and in place for the executive directors of the Company and senior management for the non-executive directors, equal to 25% of their annual fix remuneration, i.e. in aggregate EUR 117,500 per year for all non-executive directors, to vest and to be evaluated over the years 2019, 2020 and 2021, as explained further in the Description of Company's Multi-Year Variable Compensation (Long-Term Incentive Plan) for the Non-Executive Directors.

10. Presentation of and advisory vote on the remuneration policy for the members of the Board of Directors.

The Board of Directors proposes that the General Meeting pass an advisory vote on the remuneration policy for the members of the Board of Directors (Version 2020).

11. Presentation of and advisory vote on the remuneration report for the members of the Board of Directors in the financial year ended 31 December 2019.

The Board of Directors proposes that the General Meeting pass an advisory vote on the remuneration report for the members of the Board of Directors in the financial year ended 31 December 2019.

12. Authorization to the Board of Directors of the Company to acquire shares in the Company.

The General Meeting resolves to authorize the Board of Directors of the Company to acquire itself or through a person acting in its own name but on the Company's behalf, its own shares, subject to the following conditions:

a) The maximum number of shares to be acquired may not exceed ten percent (10%) of the total number of shares composing the issued share capital at the time of this resolution, or if lower, at the time of the acquisition.

b) As a result of those acquisitions, the Company's holding of its own shares may not exceed at any time ten percent (10%) of the total number of shares composing the issued share capital of the Company.

c) The acquisition price per share shall not be lower than its accounting par value or higher than ten percent (10%) above the volume weighted average listing price per share in the XETRA trading system (or a comparable successor system) during the calendar month preceding the resolution of the Board of Directors on the buy-back.

d) The acquisitions of its own shares by the Company, as well as shares acquired by a person acting in its own name but on behalf of the Company, may not have the effect of reducing the net assets of the Company below the aggregate amount of the subscribed capital and the reserves which may not be distributed under the law or the articles of association of the Company. Only fully paid-up shares may be repurchased.

e) This authorization will be valid for a period of five (5) years from the date of this resolution.

f) The purchase shall be effected either through the stock exchange or on the basis of a public purchase offer to all shareholders.

The Company may use, in whole or in part, the own shares acquired pursuant to this authorization for any legally permissible purpose.

13. Reappointment of the independent auditor for the financial year ending on 31 December 2020.

The Board of Directors proposes that the auditing firm KPMG Luxembourg, a *Société Coopérative*, with registered office at 39, Avenue John F. Kennedy L-1855 Luxembourg, and registered with the Luxembourg register of commerce and companies under number B149133, who had been appointed for the first time to

audit the financial year ending on 31 December 2019, be reappointed as independent auditor (*réviseur d'entreprises agréé*) to perform the independent audit of the Company regarding the financial year ending on 31 December 2020.

B. Availability of the documentation, attendance and voting procedure

1. Available information and documentation

The following information is available until the ending of the Annual General Meeting on the Company's homepage (http://www.befesa.com/web/en/informacion_inversores/annual-general-meeting/index.html) and at the Company's registered office in Luxembourg starting on the day of publication of this convening notice in the Luxembourg official gazette (*Recueil Electronique des Sociétés et Associations*) and in the Luxembourg newspaper Luxembourg Wort:

- this convening notice for the Annual General Meeting 2020;
- the total number of shares and voting rights at the date of the convening notice;
- the full text of any document to be made available by the Company at the Annual General Meeting 2020 (i.e. *inter alia* the annual report containing the management report of the Board of Directors, including the corporate governance report, the Company's consolidated financial statements and its annual accounts for the financial year ended 31 December 2019, the independent auditor reports on the Company's consolidated financial statements and its annual accounts for the financial year ended 31 December 2019, the special report of the Board of Directors drawn up in accordance with article 441-7 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, the Description of Company's Multi-Year Variable Compensation (Long-Term Incentive Plan) for the Non-Executive Directors, the Company's remuneration policy for the members of the Board of Directors (Version 2020) and the Company's remuneration report for the members of the Board of Directors in the financial year ended 31 December 2019);
- the full text of the draft resolutions in relation to each of the items included in the agenda to be adopted at the Annual General Meeting or, where no resolution is proposed to be adopted and as may be appropriate, a comment from the Board of Directors;
- the Declaration of Participation and the Attestation of Share Ownership; and
- the Proxy Form and Postal Voting Form to be used to vote by proxy or to vote by post, respectively.

Shareholders may obtain without charge a copy of the full text of any of the above documents upon request to BNP Paribas Securities Services, Luxembourg Branch

in its capacity as duly mandated agent of the Company (“**BNP Paribas**”) by sending a mail, fax or e-mail at the addresses detailed in section B. 6 of this convening notice.

2. Quorum and majority requirements

There are no quorum requirements to be able to participate or vote at the Annual General Meeting of the shareholders.

No vote being necessary on agenda item 1. The resolutions on the remaining agenda items 2 to 13 are adopted by a simple majority of votes cast.

3. Share capital and voting rights

At the time of convening the Annual General Meeting, the Company’s registered capital amounts to EUR 94,575,646.35 and is divided into 34,066,705 shares.

Each share entitles its holder to one vote, so that the total number of possible votes at the time of convening the Annual General Meeting of the Company is 34,066,705.

4. Requirements for participating in the Annual General Meeting and exercising voting rights

4.1. No physical meeting

Given the exceptional circumstances due to the COVID-19 epidemic and in accordance with the provisions of the Grand Ducal Regulation of 20 March 2020 introducing measures on holdings of meetings in companies and other legal entities, the Company decided to hold the Annual General Meeting via audio conference without any physical meeting. Shareholders will not be able to express their votes directly during the audio conference but only by means of the representation through proxy named by the Company or voting by post.

Shareholders who wish to attend the Annual General Meeting via audio conference shall submit their intention to attend via audio conference by e-mail to IR@befesa.com together with evidence of share ownership on the Record Date. Shareholders will then receive the dial-in details that enable them to attend the Annual General Meeting via audio conference.

4.2. Record date

The rights of a shareholder to participate in the Annual General Meeting and to vote shall be determined with respect to the shares held by that shareholder on **4 June 2020 at midnight (24:00 CEST)** (the “**Record Date**”).

Any changes in share ownership after the Record Date will not be taken into account.

4.3. Registration procedure for voting and evidence of share ownership

Shareholders who wish to participate in the Annual General Meeting of our Company and to vote in respect of the shares held by them on the Record Date shall submit:

- (i) the Declaration of Participation at the latest on 4 June 2020 (24:00 CEST);
and
- (ii) the Attestation of Share Ownership at the latest on 15 June 2020 (17:00 CEST).

The right of the shareholder to participate and vote in the Annual General Meeting will only be completed when providing both documents before the deadlines established herein.

(i) **Declaration of Participation:**

The shareholders who wish to participate and exercise their voting rights at the Annual General Meeting shall on or before the Record Date submit to BNP Paribas to the addresses detailed in section B. 6 of this convening notice a written declaration of their intention to participate at the Annual General Meeting (the “**Declaration of Participation**”).

The form of Declaration of Participation can be requested from BNP Paribas and downloaded from the Company’s website:

http://www.befesa.com/web/en/informacion_inversores/annual-general-meeting/index.html.

Please note that to be valid, the Declaration of Participation (in copy or in original) must be received by BNP Paribas by fax, e-mail, or mail, at the addresses detailed in section B. 6 of this convening notice at the latest on 4 June 2020 at 24:00 CEST (with a copy to the Company at the following email address: AGM@befesa.com).

(ii) **Attestation of Share Ownership:**

The shareholders who intend to participate and exercise their voting rights at the Annual General Meeting are also obliged to submit an attestation from their depository bank or financial institution stating the number of shares held by that shareholder on the Record Date (the “**Attestation of Share Ownership**”).

The form of Attestation of Share Ownership can be requested from BNP Paribas and downloaded from the Company’s website:

http://www.befesa.com/web/en/informacion_inversores/annual-general-meeting/index.html.

The Attestation of Share Ownership (in copy or in original) must be received by BNP Paribas by fax, e-mail or mail, at the addresses detailed in section B. 6 of this convening notice, at the latest on 15 June 2020 at 17:00 CEST (with a copy to the Company at the following email address: AGM@befesa.com).

4.4. **Proxy voting representative**

The Company has named Mr. Javier Molina Montes, Chief Executive Officer of the Company, whom failing, Mr. Wolf Lehmann, Chief Financial Officer of the Company as proxy voting representative of the Company. Shareholders may appoint the proxy voting representative to vote at the Annual General Meeting on their behalf. The proxy voting representative will be bound by the respective instructions of the shareholder provided by the Proxy Form prior to the Annual General Meeting.

The form of Proxy Form that can be used to grant a proxy can be requested from BNP Paribas and downloaded from the Company’s website:

http://www.befesa.com/web/en/informacion_inversores/annual-general-meeting/index.html.

To be valid, the Proxy Forms (in copy or in original) must be received by BNP Paribas by fax, e-mail or mail, at the addresses detailed in section B. 6 of this convening notice, on 15 June 2020, 17:00 CEST, at the latest (with a copy to the Company at the following email address: AGM@befesa.com).

Exercise of voting rights of shares in connection with duly filled and signed Proxy Forms received after 15 June 2020, 17:00 CEST will not be admitted at the Annual General Meeting.

4.5. Postal voting

Shareholders who wish to vote by post may exercise their voting rights by casting their votes by post by way of the Postal Voting Form.

Shareholders who wish to vote by post must request the form of Postal Voting Form from BNP Paribas or, alternatively, download the form from the Company's website at

http://www.befesa.com/web/en/informacion_inversores/annual-general-meeting/index.html, and send the duly completed and signed Postal Voting Form to BNP Paribas.

To be valid, the Postal Voting Form (in copy or in original) must be received by BNP Paribas by fax, e-mail or mail at the addresses detailed in section B. 6 of this convening notice prior to 17 June 2020, 17:00 CEST (with a copy to the Company at the following email address: AGM@befesa.com).

Exercise of voting rights of shares in connection with duly filled and signed Postal Voting Forms received after 17 June 2020, 17:00 CEST will not be admitted at the Annual General Meeting.

5. **Additional important information for shareholders**

5.1. Exercise of voting rights

Shareholders are hereby informed that the exercise of voting rights is exclusively reserved to such persons that were shareholders on the Record Date and who have adhered to the voting instruction set out in this convening notice.

Transfer of shares after the Record Date is possible subject to usual transfer limitations, as applicable. However, alterations (either positive or negative) of the number of shares owned by the shareholder after the Record Date will have no impact on the voting rights of that shareholder at the Annual General Meeting.

Likewise, any transferee having become owner of the shares after the Record Date has no right to vote at the Annual General Meeting.

5.2. Supplement to the convening notice and submission of proposed resolutions

Shareholders holding individually or collectively at least five per cent (5%) of the issued share capital of the Company are entitled to (i) request the addition of items to the agenda of the Annual General Meeting and (ii) to table draft resolutions for items included or to be included on the agenda of the Annual General Meeting.

Such right must be exercised by sending such request by 27 May 2020 at the latest to the address, fax number or email address of BNP Paribas detailed in section B. 6 of this convening notice (with a copy to the Company at the following email address: AGM@befesa.com).

Such request will only be accepted by the Company provided it includes (i) the wording of the new requested agenda item, (ii) the justification or the wording of the proposed resolution pertaining to the items included or to be included, and (iii) an e-mail address or a postal address to which the Company may confirm receipt of the request.

Where the requests entail a modification of the agenda for the Annual General Meeting already communicated to the shareholders, the Company will publish a revised agenda on 3 June 2020 the latest.

Subject to compliance with the threshold notification obligations provided for by the Luxembourg law of 11 January 2008 on transparency requirements for issuers of securities, there is no limit to the maximum number of votes that may be exercised by the same person, whether in its own name or by proxy.

The results of the vote will be published on the Company's website within fifteen (15) days following the Annual General Meeting.

5.3. Ability to ask questions before the Annual General Meeting

Given the exceptional circumstances due to the COVID-19 epidemic and in light of the Company's decision to hold the Annual General Meeting via audio conference without any physical meeting in accordance with the Grand Ducal Regulation of 20 March 2020 introducing measures on holdings of meetings in companies and other legal entities, shareholders only have the right to ask questions related to the items on the agenda of the Annual General Meeting ahead of such Annual General Meeting.

Shareholders who wish to exercise their right to ask questions related to the items on the agenda of the Annual General Meeting must submit their questions by e-mail to AGM@befesa.com at least two (2) business days prior to the Annual General Meeting together with evidence of share ownership on the Record Date.

The right for shareholders to ask questions is subject to the condition of the question having been submitted in the form and within the delay as specified above. The Company will respond on a best effort basis to the questions with respect to the Annual General Meeting, in particular respecting the good order of the Annual General Meeting as well as the protection of confidentiality and business interests of the Company. The Company may provide one overall answer

to the questions having the same content. An answer shall be deemed to be given if the relevant information is available on the Company's internet site in a question and answer format or by the mere reference by the Company to its internet site.

6. Contact details of BNP Paribas

The contact details of the centralizing agent duly mandated by the Company to receive the Declaration of Participation, the Attestation of Share Ownership, the Proxy Forms, the Postal Voting Form, proposals of additional agenda items and proposed resolutions pursuant to this convening notice are as follows:

BNP Paribas Securities Services Luxembourg Branch

Corporate Trust Services

60, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Postal address: L-2085 Luxembourg, Grand Duchy of Luxembourg

Tel: + 352 26 96 2389

Fax: + 352 2696 9757

Email: lux.ostdomiciliees@bnpparibas.com

Luxembourg, 15 May 2020

Romeo Kreinberg

The Chairman of the Board of Directors