

**Description of Company's
Multi-Year Variable Compensation (Long-Term Incentive Plan)
for the Non-Executive Directors (NED)**

Plan Type	<ul style="list-style-type: none"> Long-Term Incentive Plan with share-based compensation in form of phantom stock with cash payment at settlement
Objective:	<ul style="list-style-type: none"> Strengthen link of compensation and evolution of strategic key performance indicators of Befesa Reward continuous contribution and oversight of the company's development in the role of member of the Board of Directors.
Participants:	<ul style="list-style-type: none"> Non-executive members of the Board of Directors of Befesa S.A.
Grant Value:	<ul style="list-style-type: none"> One-time grant Grant value: 25% of fix compensation over 3 consecutive years amounting to a total amount of 352.5k EUR for all NED¹⁾ Award of a total of 9975 phantom stock based on an average share price of 2019 at 35.34 EUR
Vesting:	<ul style="list-style-type: none"> Cliff-vesting on 31 December 2021
Performance Targets and Measurement	<ul style="list-style-type: none"> Performance period: Three years from 1 January 2019 until 31 December 2021 Determination of performance target values based on strategic planning Performance targets: <ul style="list-style-type: none"> Cumulative EBIT target for 2019, 2020 and 2021 Cumulative cash flow target for 2019, 2020 and 2021 Return on strategic projects during 2019, 2020 and 2021 Target range between 80% and 160% Performance scale: <ul style="list-style-type: none"> Hurdle: below 80% target achievement no pay out Cap: Maximum target achievement at 160% Between 80% and 100% as well as 100% and 160% target achievement on a straight-line basis

¹⁾EUR 45k for each NED for 3 years plus additional compensation of EUR67.5k for the Chairman of the Board of Directors for 3 years and of EUR15k for the Chairman of Audit Committee for 3 years (i.e. EUR 270k + EUR67.5k + EUR15k =EUR 352.5k for 3 years)

Settlement	<ul style="list-style-type: none"> • Cash pay-out in 2022 after Annual General Meeting based on average share price of Xetra-exchange closing prices of the twenty trading days before pay-out
Cap:	<ul style="list-style-type: none"> • Stock price cap: Stock price at payout may not increase more than 300% compared to the average share price of 2019, i.e. 300% of EUR 35.34 or EUR 106.02 • Maximum performance target achievement: 160% • Total payout cap at 640% of the grant value
Dividend Entitlements	<ul style="list-style-type: none"> • Cash payout of 2020 and 2021 dividends equivalents per phantom stock at settlement in 2022
Leaver Rules	<ul style="list-style-type: none"> • Termination by Company with cause → forfeiture of all Phantom Stocks, including dividend entitlements • Termination by Non-Executive Director without cause → forfeiture of all Phantom Stocks, including dividend entitlements • Termination by Non-Executive Director with cause, termination by Company without cause: <ul style="list-style-type: none"> - Pro-rata vesting and dividend entitlements (starting at grant date until issuing of termination notice) - Settlement of phantom stock rights according to original schedule and target achievement - A 100% target achievement cap applied (i.e. number of phantom stock rights under a tranche equals to actual target achievement up to a maximum of 100%)
Grant Date	<ul style="list-style-type: none"> • 30 October 2019