



Description of Company's Compensation Plans

A. Senior Management Compensation Plant (One-Time Grant)

Grant Date:	<ul style="list-style-type: none"> 3 November 2017 (IPO Date), based on the IPO Share Price of EUR 28.00
Objective	<ul style="list-style-type: none"> Compensation plan linked to the performance of the share price whose payout is conditioned to the continuation of the beneficiaries in the Befesa Group
Participants	<ul style="list-style-type: none"> 4 Members of Senior Management, including the 2 executive directors of the Company (CEO and CFO)
Total Number of stock rights granted:	<ul style="list-style-type: none"> 79,018 stock rights (subject to ongoing employment over the vesting period)
Vesting Period:	<ul style="list-style-type: none"> Vesting Period of 3 years Start Date: November 3, 2017 End Date: November 2, 2020
Settlement:	<ul style="list-style-type: none"> Two options (at the Company's discretion) <ul style="list-style-type: none"> A. Transfer of Befesa S.A. shares B. Cash payout of Befesa S.A. share value
Stock Price Cap:	<ul style="list-style-type: none"> Settlement Share Price: May not be higher than 640% of the IPO share price ("Stock Price Cap") = EUR 179.20 If the Stock Price Cap is exceeded: <ul style="list-style-type: none"> Share transfer: Number of transferred stocks reduced to reflect the cap Cash payout: Payment capped at 640% of the individual grant value
Dividend Entitlements:	<ul style="list-style-type: none"> Yes; cash payout of dividends at settlement and less any applicable taxes to be withheld by the Company.
Leaver Rules:	<ul style="list-style-type: none"> Termination by Company or a company associated with the Company for cause within the meaning of section 626 German Civil Code (BGB) or at the due discretion of the responsible Board of Directors (within the meaning of section 315 BGB), also in the context of personal reasons (other than health-related, death, disability or statutory retirement) or in the context of a conduct-related issue before completion of the vesting period: Forfeiture of all Stock Rights (for

	<p>clarification purposes: "Termination" means in any case the date of issuing of the termination notice)</p> <ul style="list-style-type: none"> • Termination by Executive without cause prior to November 2, 2020: Forfeiture of all Stock Rights (for clarification purposes: "Termination" means the date of issuing of the termination notice) • All other cases in which contractual relationship or employment is terminated before completion of the vesting period: <ul style="list-style-type: none"> • Pro rata vesting (date of issuing of termination notice is decisive, unless BoD at its sole discretion decided otherwise in favor of the Executive) monthly calculation with only completed months, e.g. date of issuing of termination notice after 14 months results in forfeiture of 22/36 of the number of Stock Rights), rounded to nearest integer • Settlement of the vested number of Stock Rights after November 2, 2020
Adjustment of Stock Rights:	<ul style="list-style-type: none"> • Adjustments in case of changes in the number of the Befesa S.A. shares without associated inflow of funds at the discretion of the Board of Directors • Adjustments in case of capital measures influencing the share's market price: at the discretion of the Board of Directors

B. Long-Term Performance Stock Plan

Grant Date:	<ul style="list-style-type: none"> • 3 November 2017 (IPO Date) with respect to Tranche I, based on the IPO Share Price of EUR 28.00
Objective:	<ul style="list-style-type: none"> • Compensation plan linked to the evolution of certain key indicators (cumulative EBIT, cumulative cash flow and return on inputs of strategic projects) whose payout is conditioned to the continuation of the beneficiaries in the Befesa Group
Participants:	<ul style="list-style-type: none"> • 4 Members of Senior Management, including the 2 executive directors of the Company (CEO and CFO), plus additional participants from expanded management of the Befesa Group
Total number of stock rights granted:	<ul style="list-style-type: none"> • 356,428, performance stock rights (subject to ongoing employment over the vesting period), i.e. 89,107 stock rights per each of the 4 so-called "Plan Tranches" • Plan Tranche I covers the following performance period: January 1, 2018 to December 31, 2020 • In case the business and/or economic environment of Befesa S.A. and/or Befesa group (Befesa S.A. and Befesa group together "Befesa") changes in the future or in case of other exceptional circumstances that sustainably affects Befesa's competitiveness and/or economic situation, the

	<p>Board of Directors, at its due discretion, can decide not to grant one or more of the Plan Tranches mentioned above.</p> <ul style="list-style-type: none"> • Number of performance stock rights granted (determined at the Tranche I): Individual Grant Value divided by the IPO Share Price of EUR 28.00, rounded to nearest integer • This number also determines the number of Performance Stock granted in future tranches
Vesting	<ul style="list-style-type: none"> • Duration: Three years following grant date • Tranche I: November 3, 2017 until November 2, 2020 (performance period January 1, 2018 to December 31, 2020) • Tranches II to IV if service-/employment agreement of respective plan participant is not terminated on the date of such grant - are intended to cover performance periods as follows: <ul style="list-style-type: none"> • II: January 1, 2019 to December 31, 2021 • III: January 1, 2020 to December 31, 2022 • IV: January 1, 2021 to December 31, 2023 • Number of Performance Stocks vested is derived by multiplying the number of granted Performance Stocks by the total target achievement, rounded to nearest integer
Performance Measurement	<ul style="list-style-type: none"> • Each Plan Tranche broken down into sub-tranches with separate operational performance targets, each with individual weighting at the discretion of the responsible BoD • The performance targets and their weighting will be determined by Board of Directors • Performance targets and weighting will be stipulated in the annual grant letter • Performance targets are determined and measured over a three- year period (e.g. Tranche I: January 01, 2018 until December 31, 2020) • For each performance target determination of values for 80%, 100% and 160% target achievement is required • Performance Scale: <ul style="list-style-type: none"> • Hurdle: below 80% target achievement no pay out • Maximum target achievement is at 160% • Between 80% and 100% as well as 100% and 160% target achievement is determined on a straight-line basis
Settlement	<ul style="list-style-type: none"> • Two options (at the Company's discretion) <ul style="list-style-type: none"> • A. Transfer of Befesa S.A. shares

	<ul style="list-style-type: none"> • B. Cash payout of Befesa S.A. share value
Stock Price Cap	<ul style="list-style-type: none"> • Settlement share price may not be higher than 300% of the share price at grant (Stock Price Cap; e.g. IPO Tranche = EUR 112.00) • If the Stock Price Cap is exceeded: <ul style="list-style-type: none"> • Share transfer: Number of transferred shares reduced to reflect the cap • Cash payout: Payment relating to the share price increase is capped at the 300% share price at grant
Total Cap	<ul style="list-style-type: none"> • The Total Cap of the Performance Stock is at 640% of the Individual Grant Value • This is a result of the maximum number of Performance Stocks from performance target achievement (160%) and the 300% share price increase cap
Dividend Entitlements	<ul style="list-style-type: none"> • Yes; cash payout of dividends at settlement and less any applicable taxes to be withheld by the Company
Leaver Rules	<ul style="list-style-type: none"> • Termination by Company with cause (based on § 626 BGB)=> Forfeiture of all Performance Stock • Termination by Executive, Termination by company without cause: <ul style="list-style-type: none"> • Pro rata vesting (date of issuing of termination notice is decisive, unless Board of Directors, at its sole discretion, decides otherwise in favor of the Plan Participant) - monthly calculation, e.g. date of issuing of termination notice 14 months after the Grant Date result in a forfeiture of 22/36 of the total number of Performance Stocks granted, rounded to nearest integer • A 100% target achievement cap applied (i.e. number of Performance Stocks under a tranche equals to actual target achievement up to a maximum of 100%) • Settlement of Performance Stocks according to original schedule • Termination by Executive for good reason, retirement, death disability <ul style="list-style-type: none"> • Pro rata vesting (in case of termination, date of issuing of termination notice is decisive, unless Board of Directors, at its sole discretion, decides otherwise in favor of the Plan Participant) • Settlement of Performance Stocks according to original schedule and target achievement

Stock Ownership Requirement	<ul style="list-style-type: none"> • Stock Ownership Requirement applies only for 4 Members of Senior Management
Adjustment of Performance Stocks	<ul style="list-style-type: none"> • Adjustments in case of changes in the number of the Befesa S.A. shares without associated inflow of funds at the discretion of the Board of Directors • Adjustments in case of capital measures influencing the share's market price at the discretion of the Board of Directors