

Befesa S.A.

Société Anonyme

Registered office: 46, Boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg

R.C.S. Luxembourg: B 177697

(the "Company")

Report of the Board of Directors

to the extraordinary general meeting of shareholders of the Company to be held on 26 April 2018 in accordance with Article 441-7 of the law of 10 August 1915 on commercial companies

Dear shareholders,

In accordance with the provisions of Article 441-7 of the law of 10 August 1915 on commercial companies, the Board of Directors of the Company has issued this special report to inform the general meeting of shareholders of the Company of the following transactions in which a director of the Company declared an interest of a financial nature, conflicting with the one of the Company:

1. Entry into directors' agreements:

- the entry into a director's agreement with **Frauke Heistermann** in relation to her annual gross remuneration of EUR 60,000 as a director of the Company;
- the entry into a director's agreement with **Romeo Kreinberg** in relation to both (i) his annual gross remuneration of EUR 60,000 as a director of the Company and (ii) his annual gross remuneration of EUR 90,000 as chairman of the board of directors of the Company;
- the entry into a director's agreement with **Johannes Maret** in relation to his annual gross remuneration of EUR 60,000 as a director of the Company;
- the entry into a director's agreement with **Roland Oelschläger** in relation to his annual gross remuneration of EUR 60,000 as a director of the Company;
- the entry into a director's agreement with **Manuel Soto** in relation to his annual gross remuneration of EUR 60,000 as a director of the Company;
- the entry into a director's agreement with **Georg Graf Waldерsee** in relation to his annual gross remuneration of EUR 60,000 as a director of the Company;

- the entry into a director's agreement with **Santiago Zaldumbide** in relation to his annual gross remuneration of EUR 60,000 as a director of the Company;

2. Senior management compensation plans

- the approval of the compensation plans for the Senior management of the Company (including **Javier Molina Montes** and **Wolf Uwe Lehmann**) in line with the description set out in the IPO prospectus;

It is explained that each director refrained from deliberating and voting on the resolutions for which he/she declared a conflict of interest and the above transactions were approved by the members of the Board of Directors of the Company who did not declare any conflict of interest after considering that they were in the best interest of the Company.

21 March 2018

The Board of Directors