Hexcel Employee Stock Purchase Plan
Participant Overview

HEXCEL

What is the Hexcel Employee Stock Purchase Plan?

The Hexcel Employee Stock Purchase Plan (ESPP) provides you with the opportunity to purchase shares of company stock at a discount of at least 15% from the closing price on the date of purchase. The number of shares purchased on your behalf is determined by how much you contribute to the ESPP via after tax payroll deductions.

Who is eligible?

Hexcel employees are eligible to participate in ESPP if they meet all of the following:

- Are regularly scheduled to work more than 20 hours per week
- Are employed for more than 5 months in a calendar year
- Have completed at least 6 months of continuous service before the Enrollment Date

When can I enroll?

We offer quarterly enrollment opportunities for the ESPP. Before each new quarter, Fidelity (our ESPP administrator) will notify you when the enrollment window opens for the upcoming offering period.

To participate, you'll need to:

- Enroll during the enrollment window
- Choose how much of your after-tax pay to contribute (either a percentage or fixed dollar amount per paycheck)
- Activate your Fidelity account using the instructions provided

Important timing rule

- You must be eligible and enrolled before the offering period begins
- If you reach 6 months of service after the enrollment date, you cannot join mid quarter and must wait until the next enrollment period to enroll

Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Enrollment Period	**Offering Period**	**Enrollment Period**	**Offering Period**	**Enrollment Period**	**Offering Period**	**Enrollment Period**	**Offering Period**
Early November - Early December	January 1 - March 31	Early February - Early March	April 1 - June 30	Early May - Early June	July 1 - September 30	Early August - Early September	October 1 - December 31

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What is the difference between an "enrollment period" and "offering period"?

The enrollment period (i.e., sign-up window) is when you can begin participating in the ESPP.

- You decide if you want to join and how much of your paycheck to contribute
- If you miss it, you'll need to wait until the next enrollment period

The offering period is when your payroll contributions accumulate until the purchase date.

- You don't need to do anything during this time
- Money is automatically deducted from your paycheck for each pay period during the offering period
- At the end of the period, those contributions are used to purchase company stock, which are held in an account that you establish with Fidelity

How is the purchase price determined?

The Hexcel ESPP provides for a 15% discount on the closing price of our stock based on the lower of (1) the closing share price at the beginning of the offering period, or (2) the closing share price at the end of the offering period. This feature of our ESPP is referred to as a "lookback" period. This lookback provision means that your purchase price discount could be greater than 15% of the closing price at the end of the offering period. See hypothetical illustration below.

Offering period begins with Your payroll contributions a $90 stock price accumulate

→ Offering period ends at a $92 stock price

→ Apply a 15% discount to the lower of the share price at the beginning or ending of the offering period. $90 x 85% = **$76.50**

How do I receive value from the ESPP?

ESPP participation gives you an ownership stake in the company, providing an opportunity to help you achieve your long-term financial goals. Alternatively, you may sell shares purchased on your behalf on the open market at any time you choose. Thus, using the illustration above, a participant could earn a pre-tax gain of $13.50 per share, assuming a sales price of $90 per share.

Employee Stock Purchase Plan
Additional Information

Contribution amounts/limits

For each base salary pay period, on an after-tax basis via payroll deduction, you may contribute either (1) between 1% and 10% of your pay, or (2) a whole dollar amount ranging between $15 and $1,000 of your pay. There is an annual plan limit of $25,000 worth of shares that can be purchased during any calendar year, based on the share price at the beginning of each offering period. If your contributions combined with the benefit of the 15% purchase price discount would result in more than $25,000 in shares being purchased, then any excess contributions will be returned to you via payroll as soon as administratively possible.

Changes to contribution amounts

Once you make a contribution election, it stays in effect until you change it. You can update your payroll contribution amount during the quarterly enrollment period, and the new amount will take effect at the start of the next offering period. You cannot increase or decrease your contribution once the offering period has started. However, you may choose to stop participating during the offering period. If you do, any contributions you have already made during that period will be returned to you as soon as administratively possible. If your employment ends during an offering period, any contributions you made will also be returned to you.

IMPORTANT NOTE:

Once the offering period begins, you can no longer adjust your contribution (increase or decrease). Your only option at that point is to fully withdraw from the ESPP. To do this, you must select the “Withdraw” option in Fidelity.
Setting your contribution to 0% is not the same as withdrawing and may result in unintended deductions or continued participation.

Trading fees

After a purchase date, you may hold your shares or sell your shares. If you choose to sell your shares, there is a trading fee that will apply. Such fee applies on the entire trade, and not on a per share basis. Refer to Fidelity for information on trading fees.

Dividends

After a purchase date, you own the shares outright similar to any other holder of Hexcel Corporation common stock. If our Board of Directors declares a dividend to be paid, you can choose to have that paid to you in cash or as reinvested Hexcel shares. You can make the choice on how to receive any dividends by logging into your account at Fidelity. If no election is made, then any dividends paid will be in cash and deposited into your Fidelity account.

Taxes

There are no tax implications to you at the time of a stock purchase. Upon sale of your shares, a taxable event occurs, and Fidelity will report the transaction to both you and to the IRS. Your federal income tax liability will depend on how long you have held your shares since the beginning of each respective offering period.

Qualified Disposition: Occurs when shares are sold after holding it for at least 2 years from the offering date and at least 1 year from the purchase date. Generally, it results in more favorable tax treatment (more of the gain is taxed as long-term capital gain)
Disqualified Disposition: Occurs when shares are sold before meeting the holding period above. A larger portion of the gain is treated as ordinary income (reported on your W-2)

Note that income from dividends is taxed in the year the dividend is received, regardless of whether you sold any ESPP shares. We recommend that you consult with a tax advisor before selling any stock acquired via the ESPP.

There are no tax implications when you purchase shares through the ESPP. A taxable event occurs when you sell your shares (a "disposition").

Note:

- Any ESPP compensation income from share sales will be reported on your W2 & included in your year to date totals via monthly updated in Workday
- You may see changes to your YTD income if you sell shares during the year.
- Dividends are taxable in the year they are received, even if you do not sell your shares
- We recommend consulting a tax advisor before selling ESPP shares

Illustrative growth opportunity

The chart below illustrates an employee who contributes 3% of an initial $60,000 annual salary to the ESPP over a 10-year period, assuming annual salary growth of 2.5%. The illustration also assumes a starting Hexcel share price of $85 per share with annual share price appreciation of 5%. Under these assumptions, the employee would contribute approximately $20,200 in after-tax payroll deductions over the 10-year period, resulting in an estimated share value of approximately $30,000 at the end of Year 10.

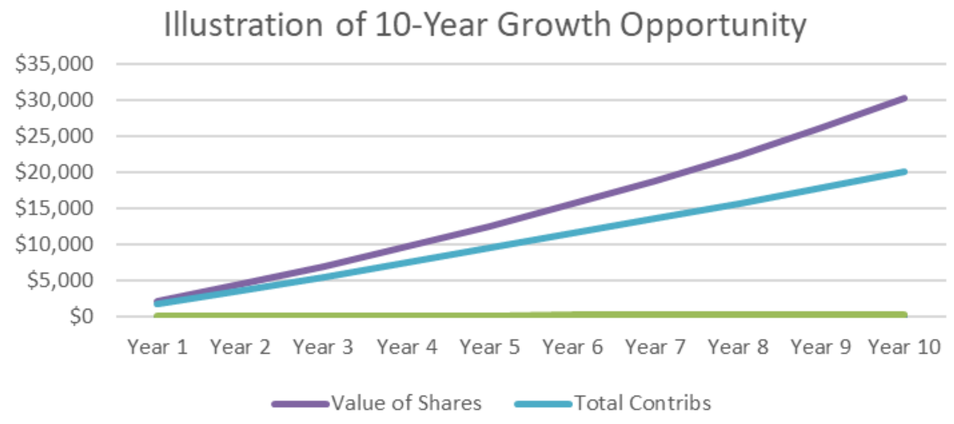

Illustration is for informational purposes only and does not represent actual or guaranteed investment performance.

For all your stock plan information, go to NetBenefits or call a Fidelity Stock Plan Services Representative at 800-544-9354.
Investing involves risk, including risk of loss.
We recommend that you consult with your financial advisor.