1. INTRODUCTION

Solvay SA – headquartered in Belgium – is committed to the highest governance principles and seeks to consistently enhance corporate governance performance, emphasizing transparency and promoting a sustainable culture of long-term value creation.

Solvay’s governance bodies are responsible for the Group’s long-term approach, pursuing the vision of Solvay’s founder, and implementing the strategy. The Board of Directors is entrusted with steering Solvay’s development strategy while advising the Executive Committee, which oversees its business operations.

This Corporate Governance Statement applies the recommendations of the 2009 Belgian Corporate Governance Code’s “comply or explain” principle. It includes information on Solvay’s share capital, shareholders and investor relations, governance bodies, Compensation report, risk and internal control, and external auditor. Solvay fully respects the rules described in this Corporate Governance Statement.

The Board of Directors of Solvay adopted a Corporate Governance Charter (the “Charter”) on December 13, 2016. The Charter is available on the Solvay’s website and describes the main aspects of the Solvay group’s corporate governance, including its governance structure and the internal rules of the Board of Directors, the Executive Committee, and other committees set up by the Board of Directors.

In accordance with this principle, none of the rules described in this Corporate Governance Statement depart from the 2009 Belgian Corporate Governance Code.

2. CAPITAL, SHARES AND SHAREHOLDERS

2.1. Capital and shares

No changes were made to the Company’s capital in 2017. It amounts to €1,588,146,240 and is represented by 105,876,416 shares.

2.2. Shareholders

2.2.1. Major shareholder

Solvay’s main shareholder is Solvac SA, which holds more than 30% of Solvay’s share capital.

Solvac SA is a public limited liability company established under Belgian law whose shares are traded on Euronext Brussels exchange.

Solvay has approximately 13,000 shareholders. Among them, more than 2,000 persons are related to the founding families of Solvay and Solvac. These persons hold approximately 77% of Solvay shares.

2.2.2. Shareholder structure

The following table shows the current shareholder structure based on the notifications made to the Company and to the Belgian Financial Services and Markets Authority (“FSMA”) by the shareholders specified below, according to the Belgian law of Wednesday, May 2, 2007 on the notification of significant shareholdings, or according to Solvay’s bylaws, or Article 74 of the Belgian law of April 1, 2007 on public acquisition bids, and on more recent information from public disclosures.

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of shares</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solvay</td>
<td>July 29, 2016</td>
<td>32,511,125</td>
</tr>
<tr>
<td>Solvay Stock Option Management</td>
<td>July 4, 2016 (+559,374 purchase options)</td>
<td>2,632,690</td>
</tr>
</tbody>
</table>

1) Shares for which notifications have been filed

According to regulations on financial transparency, the shareholders’ requirement is to disclose interest to Solvay when participation exceeds the threshold of 3%.

- Solvay: On August 1, 2017, Solvay gave notice that it holds 30.71% (32,511,125 shares) of Solvay’s share capital.
- Solvay Stock Option Management SPRL, an indirect subsidiary of Solvay, notified Solvay on Wednesday, November 15, 2017 that its shareholding amounted to 3.001% of the 105,876,416 shares issued by Solvay, representing 3,545,803 shares and 632,744 equivalent financial instruments in the share capital of the Company.

The latest transparency notifications are available on the website.

2) The shares for which no transparency notifications have been filed with Solvay or the FSMA are held by:

- individual shareholders who hold shares directly in Solvay,
- institutional shareholders.

At the Ordinary Shareholders’ Meeting held on Tuesday, May 9, 2017, shares were deposited and votes cast in respect of 58.58% of Solvay SA’s capital.

- Blackrock Inc. gave notice on November 8, 2017, that it holds a 3.95% interest (3,545,803 shares and 632,744 equivalent financial instruments) in the share capital of the Company.
Solvay shares are listed on two exchanges:

- Euronext Brussels, the primary listing where the share is part of the BEL20 index,
- Euronext Paris, where Solvay joined the CAC40 index on September 21, 2012.

During 2017, the average price was €118.53 while the 52-week range was €107.70 – €131.25 per share. Average daily trading volume as reported by Euronext was 245,621 shares in 2017, compared with 335,719 shares in 2016.

Solvay share prices and trading volumes from January 1, 2017 to December 31, 2017

Solvay share compared with indexes from January 1, 2017 to December 31, 2017

1 EU Peers: Akzo, Arkema, BASF, Clariant, DSM, Evonik, Lanxess

The share price evolved in an upward trend from the beginning of the year until the third quarter earnings announcement on November 8. Year-to-date performance as of November 7 was ahead of the StoxxChem 600 index (c. 13%). Solvay’s third quarter results, although in line with market expectations, were seen as less impressive, triggering temporary profit-taking towards the end of the fourth quarter after ten months of strong performance.

3.2. Engaged financial communication
Solvay facilitates an open dialog with the investment community, thereby building a long-term relationship based on credibility and trust. Solvay’s aims to provide accurate information in a transparent, timely, and meaningful manner to accompany the investment community in their understanding of Solvay business and strategy leading to a fair valuation by the market.

Based on the FSMA (Belgian Financial Services and Markets Authority), on MiFID2 (Markets in Financial Instruments Directive), on Market Abuse Regulation (MAR), and on the (General Data Protection Regulation), Solvay defines and implements disclosure principles and processes to govern the interactions and communications with the financial markets. Solvay takes great care to stay updated on regulations to maintain strict compliance. Solvay also takes care to treat all stakeholders equally.

Executive Committee members interact with various members of the investment community, including buy and sell-side analysts, portfolio managers, and retail shareholders in a timely and effective manner throughout the year (Roadshows, One-on-One Meetings, Conferences, Capital Markets Day, etc.). In 2017, the committee members devoted considerable time and effort to communicating with and meeting face to face with the investment community in the U.S.

Extensive information about Solvay business operations, strategy, and financial performance may be found in a wide variety of regulatory filings, such as press releases, the Annual Integrated report, quarterly reports, financial press releases, and presentations. All of these publications are readily available in French, Dutch, and English in the Investors section of www.solvay.com and on request from the Investor Relations Department.

3.3. Roadshows and meetings for institutional stakeholders
Roadshows are organized with senior Group managers throughout the year, in addition to attending key industry conferences around the world. These face to face interactions enable dialog with the investment community on Solvay’s strategy and business performance.

In 2017, in between roadshows and conferences in 60 cities around the world and reverse roadshows at corporate headquarters in Brussels, Solvay’s leaders participated in 19 events and had 83 interactions with sell-side and buy-side analysts and portfolio managers to discuss Solvay’s strategic priorities. Actively engaging in dialog with investors about Solvay’s strategy and performance in both financial and extra-financial indicators is an integral part of Solvay’s key objectives.

Solvay also holds conference calls with senior management every quarter to comment on the Group’s results.

3.4. Individual investors
Solvay’s objective is to enhance its visibility and attractiveness to all kinds of stakeholders by improving shareholders’ awareness of Solvay’s equity story and by improving the relationship based on trust and interactions.

Every shareholder has access to clear, comprehensive, transparent information tailored to his or her individual needs through Solvay’s Investors’ Club or through direct contacts with Solvay reference shareholders. Information that is prepared and used is published on the Solvay website to guarantee that no benefit can be gained from privileged access.

An annual communication program is defined and validated by Solvay executives, which offers in particular:

- Regular information about Solvay, including press releases, amendments to by-laws, dividend payments,
- A calendar of upcoming events, including the Annual Shareholders’ Meeting, a quarterly “Solvay in Action” e-newsletter explaining the Group’s strategy and main achievements through, for example, interviews and videos,
- Invitations to events in which Solvay will participate.

In 2017, Solvay regularly hosted events such as meetings with senior management, experts and visits to company sites, including:

- Antwerp Investors’ Day organized by the Flemish Federation of Investment Clubs and Investors, VFB (Vlaamse Federatie van Beleggingsclubs en Beleggers), attended by more than 1,500 participants annually. An Executive Committee member held a meeting and Q&A with around 400 individual investors,
- Finance Avenue organized in Brussels by the De Tijd and L’Echo, attended by 3,600 participants,
- Several founding families and private banking events.

In addition, Solvay’s share registration service responds to all queries and requests for information.
4. BOARD OF DIRECTORS AND BOARD COMMITTEES

The Charter defines the role and mission, functioning, size, composition, training, and evaluation of the Board of Directors. The internal rules of the Board of Directors are attached to the Charter.

4.1. Board of Directors

4.1.1. Structure and composition

The mandates of Mr. N. Boël, Mr. J-P. Clamadieu, Mr. B. de Laguiche, Mr. H. Coppens d’Eeckenbrugge, Mrs. E. du Monceau, Mrs. F. de Viron and Mrs. A. Moraleda were renewed for a four-year term at the Ordinary Shareholders’ Meeting of May 9, 2017 so the mandate will expire at the end of the Ordinary Shareholders’ Meeting to be held in May 2021.

Mrs. A. Lemarchand was appointed as a board member for a four-year term at the Ordinary Shareholders’ Meeting of May 9, 2017; her mandate will expire at the end of the Ordinary Shareholders’ Meeting to be held in May 2021.

At the end of the Ordinary Shareholders’ Meeting of Tuesday, May 8, 2018, the following mandates will expire:

- Rosemary Thorne
- Gilles Michel

- Denis Solvay
- Bernhard Scheuble.

At the same Ordinary Shareholders’ Meeting, the Board of Directors will propose:

- Renewing the mandates of Mrs. Rosemary Thorne and Mr. Gilles Michel for another four years,
- Appointing Mr. Philippe Tournay as director for a four-year term to replace Denis Solvay, who has decided not to stand for a new term,
- Appointing of Mr. Matti Lievonen as a new independent director for a four-year term to replace Bernhard Scheuble.

The number of Board members will temporarily be 16 until the Ordinary Shareholders’ Meeting of 2019, when the term of Yves-Thibault de Silguy will expire.

At December 31, 2017 the composition of the Board is as follows:

- 15 of the 16 directors on the Board are non-executive
- 11 of the 16 directors have been recognized as independent by the Ordinary Shareholders’ Meeting, according to the criteria defined by the Belgian law and further refined by the Board of Directors
- seven different nationalities,
- Six of the 16 Board members are women,
- Board meeting attendance is high: 84.13%.

<table>
<thead>
<tr>
<th>Year of first appointment</th>
<th>Presence at Board meetings in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicolas Boël</td>
<td></td>
</tr>
<tr>
<td>Born in: 1962</td>
<td></td>
</tr>
<tr>
<td>Solvay SA mandates:</td>
<td></td>
</tr>
</tbody>
</table>
| Diplomas and activities outside Solvay: MA in Economics (Université catholique de Louvain, Belgium), Master of Business Administration (College of William and Mary, USA), Director of Sofina.
Jean-Pierre Clamadieu**
French  
2012  7/7

**Born in:** 1958

**Solvay SA mandates:** Chairman of the Executive Committee and CEO, Director and Member of the Finance Committee

**Expiry date of directorship:** 2021

**Diplomas and activities outside Solvay:** Engineering degree from the École des Mines (Paris, France). Director of Axa, Faurecia. Chairman of Cytec Industries Inc.

Bernard de Laguiche
French/Brazilian  
2006  7/7

**Born in:** 1959

**Solvay SA mandates:** Member of the Executive Committee until September 30, 2013, Director, Member of the Finance Committee and Member of the Audit Committee since May 13, 2014

**Expiry date of directorship:** 2021

**Diplomas and activities outside Solvay:** MA in Economics and Business Administration, HSG (Universität St. Gallen, Switzerland). MBA in Agribusiness, University of São Paulo (USP ESALQ). Managing Director of Solvac SA, Chairman of the Board of Peroxidos do Brasil Ltda, Curitiba (Brasil), Board member of Le Pain Quotidien Brasil Ltda, Sao Paulo and Luxembourg, Founder and President of Grupo Ortus SA, Curitiba (Brasil), President of Agro Mercantil Vila Rica Ltda, Parana (Argentina).

Jean-Marie Solvay
Belgian  
1991  6/7

**Born in:** 1956

**Solvay SA mandates:** Director, Member of the Innovation Board

**Expiry date of directorship:** 2020

**Diplomas and activities outside Solvay:** Advanced Management Programme – Insead. CEO of Albrecht RE Immobilien GmbH & Co. KG., Berlin (Germany), Chairman of the Board of the International Solvay Institutes. Member of the Board of the Innovation Fund, Brussels

Denis Solvay
Belgian  
1997  4/7

**Born in:** 1957

**Solvay SA mandates:** Director, Member of the Compensation and Nomination Committees

**Expiry date of directorship:** 2018

**Diplomas and activities outside Solvay:** Business engineering – Solvay Business School (Université Libre de Bruxelles, Belgium). Abelag Holding, SA. Voluntary Director of the healthcare institute ANBCT and Queen Elisabeth Music Chapel

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(1) Employed full time by the Solvay Group.
<table>
<thead>
<tr>
<th>Name</th>
<th>Nationality</th>
<th>Year of first appointment</th>
<th>Presence at Board meetings in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof. Dr. Bernhard Scheuble</td>
<td>German</td>
<td>2006</td>
<td>7/7</td>
</tr>
<tr>
<td>Charles Casimir-Lambert</td>
<td>Belgian</td>
<td>2007</td>
<td>7/7</td>
</tr>
<tr>
<td>Hervé Coppens d'Eeckenbrugge</td>
<td>Belgian</td>
<td>2009</td>
<td>7/7</td>
</tr>
<tr>
<td>Yves-Thibault de Silguy</td>
<td>French</td>
<td>2010</td>
<td>6/7</td>
</tr>
</tbody>
</table>

**Prof. Dr. Bernhard Scheuble**

- **Born in:** 1953
- **Solvay SA mandates:** Independent Director, Chairman of the Audit Committee
- **Expiry date of directorship:** 2018
- **Diplomas and activities outside Solvay:**
  - MSc, Nuclear Physics & PhD, Display Physics (Albert-Ludwigs-Universität Freiburg, Germany).
  - Former Chairman of the Executive Committee of Merck KGaA, (Darmstadt, Germany) and former member of the E. Merck OHG Board of Directors

**Charles Casimir-Lambert**

- **Born in:** 1967
- **Solvay SA mandates:** Independent Director, Member of the Audit Committee
- **Expiry date of directorship:** 2019
- **Diplomas and activities outside Solvay:**
  - Master’s degree (lic.oec.HSG) in economics, management and finance (Universität St. Gallen, Switzerland).
  - Management of family’s global interests.

**Hervé Coppens d’Eeckenbrugge**

- **Born in:** 1957
- **Solvay SA mandates:** Independent Director, Member of the Finance and Audit Committees
- **Expiry date of directorship:** 2021
- **Diplomas and activities outside Solvay:**
  - MA in Law from the Université catholique de Louvain (Belgium), Diploma in Economics and Business, ICHEC (Belgium) Until June 30, 2013,
  - Group Director Petercam SA, Director of Vital Renewable Energy Company LLC (Delaware).
  - Independent Director, VISONARITY AG (Basel, Switzerland).

**Yves-Thibault de Silguy**

- **Born in:** 1948
- **Solvay SA mandates:** Independent director, Member of the Compensation Committee and Chairman of the Nomination Committee, Member of the Finance Committee
- **Expiry date of directorship:** 2019
- **Diplomas and activities outside Solvay:**
  - MA in Law from the Université de Rennes (France), DES in public law from Université de Paris I (France), graduate of the Institut d’Études Politiques de Paris and the École Nationale d’Administration (France) Vice-Chairman and Lead Director of the VINCI group, Director of LVMH, Chairman of the Supervisory Board of Solisport (France), Director of VTB bank (Moscow, Russia), and Chairman of YTSeuropaconsultants
<table>
<thead>
<tr>
<th>Name</th>
<th>Year of first appointment</th>
<th>Presence at Board meetings in 2017</th>
<th>Born in:</th>
<th>Solvay SA mandates:</th>
<th>Diplomas and activities outside Solvay:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evelyn du Monceau</td>
<td>2010</td>
<td>7/7</td>
<td>1950</td>
<td>Independent Director, Member of the Compensation and Nomination Committees</td>
<td>MA in Applied Economics from the Université catholique de Louvain (Belgium). Chair of the Board and Chair of the Remuneration and Nomination Committee of UCB SA, Member of the Board of Directors of La Financière de Tubize SA, Member of the Corporate Governance Commission.</td>
</tr>
<tr>
<td>Françoise de Viron</td>
<td>2013</td>
<td>7/7</td>
<td>1955</td>
<td>Independent Director, Member of the Compensation and Nomination Committees</td>
<td>Doctorate of Science (Université catholique de Louvain, Belgium), Master in Sociology (Université catholique de Louvain, Belgium). Professor at the Faculty of Psychology and Education Sciences and Louvain School of Management (Université catholique de Louvain, Belgium), Academic Member of the Center of Research Entrepreneurial Change and Innovative Strategies, of Interdisciplinary Group of Research in Socialization, Education and Training, of the Interdisciplinary Research Group in Adult Education at the Université catholique de Louvain (Belgium), Chairman and Director AISBL EUCEN – European Universities Continuing Education network.</td>
</tr>
<tr>
<td>Amparo Moraleda Martinez</td>
<td>2013</td>
<td>6/7</td>
<td>1964</td>
<td>Independent Director, Member of the Compensation and Nomination Committees</td>
<td>Degree in Industrial Engineering, ICAI (Universidad Pontificia Comillas, Spain) PDG, IESE Business School (Universidad de Navarra, Spain). Former General Manager of IBM Spain, Portugal, Greece, Israel and Turkey Former Chief Operating Officer, International Division (Spain) and Acting CEO, Scottish Power (UK) of Iberdrola Member of the Boards of the following listed companies: Airbus SE (The Netherlands), Faurecia (until oct.2017) (France), Caixabank SA (Spain), Vodafone plc (UK). Member of the Consejo rector of Consejo Superior de Investigaciones Científicas. Member of the Spanish Royal Academy of Economics and Financial Sciences</td>
</tr>
</tbody>
</table>
### Year of first appointment

<table>
<thead>
<tr>
<th>Name</th>
<th>Nationality</th>
<th>Year of Appointment</th>
<th>Presence at Board meetings in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosemary Thorne</td>
<td>British</td>
<td>2014</td>
<td>7/7</td>
</tr>
<tr>
<td>Gilles Michel</td>
<td>French</td>
<td>2014</td>
<td>6/7</td>
</tr>
<tr>
<td>Marjan Oudeman</td>
<td>Dutch</td>
<td>2015</td>
<td>7/7</td>
</tr>
</tbody>
</table>

### Born in

- **Rosemary Thorne** (British): 1952
- **Gilles Michel** (French): 1956
- **Marjan Oudeman** (Dutch): 1958

### Solvay SA mandates

- **Rosemary Thorne**: Independent Director, Member of the Audit Committee
- **Gilles Michel**: Independent Director, Member of the Finance Committee
- **Marjan Oudeman**: Independent Director, Member of the Audit Committee since May 12, 2015

### Expiry date of directorship

- **Rosemary Thorne**: 2018
- **Gilles Michel**: 2018
- **Marjan Oudeman**: 2019

### Diplomas and activities outside Solvay

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**Rosemary Thorne**

- **Born in**: 1952
- **Solvay SA mandates**: Independent Director, Member of the Audit Committee
- **Expiry date of directorship**: 2018
- **Diplomas and activities outside Solvay**: Honours Degree in Mathematics and Economics from the University of Warwick (UK). Fellow of the Chartered Institute of Management Accountants FCMA and CGMA. Fellow of the Association of Corporate Treasurers FCT. Former Chief Financial Officer of J. Sainsbury, Bradford & Bingley, and Ladbrokes. Member of the Board and Chair of Audit Committee of Merrill Lynch International (UK) and Smurfit Kappa Group (Ireland). Former Independent Director of Royal Mail Group, Cadbury Schweppes, Santander UK and First Global Trust Bank (UK).

**Gilles Michel**

- **Born in**: 1956
- **Solvay SA mandates**: Independent Director, Member of the Finance Committee
- **Expiry date of directorship**: 2018
- **Diplomas and activities outside Solvay**: École Polytechnique (France). École nationale de la statistique et de l’administration économique (ENSAE) (France). Institut d’Études Politiques (IEP). Former CEO Ceramics & Plastics, Saint-Gobain, France. Former Member of the Management Board, PSA, France. Former CEO, Fonds stratégique d’Investissement (FSI), France. Chairman & CEO, Imerys, France (listed). Independent Director IBL.

**Marjan Oudeman**

- **Born in**: 1958
- **Solvay SA mandates**: Independent Director, Member of the Audit Committee since May 12, 2015
- **Expiry date of directorship**: 2019
- **Diplomas and activities outside Solvay**: Law degree, Rijksuniversiteit Groningen (the Netherlands). Summer Program American Law, Columbia University (New York, USA). Universiteit van Amsterdam and Universiteit Leiden (the Netherlands). Masters Degree in Business Administration, Simon E. Business School, University of Rochester (New York, USA), and Erasmus Universiteit Rotterdam (the Netherlands). Member of the Board of StatOil ASA. Member of the Board of SHV Holdings N.V., the Netherlands. President of the Executive Board Universiteit Utrecht (the Netherlands) until July 2017. Member of the Supervisory Board of Koninklijke Concertgebouw, the Netherlands. Chairman of the Board of Ronald McDonald Children’s Fund. Member of the Supervisory Board of the Rijksmuseum, the Netherlands. Since April 2017, Member of the Supervisory Board of Aalberts Industries NV.
4.1.2. Functioning of the Board of Directors

In 2017, the Board held seven meetings. Each director’s attendance is shown in the table in section 4.1.1. Structure and composition.

During 2017, the Board of Directors’ discussions, reviews and decisions focused on the annual review of Group strategy, strategic projects (acquisitions, divestments, capital expenditures, etc.), quarterly financial reporting, approving quarterly financial statements and proposing a dividend to the AGM, Board Committee reports, corporate Governance, corporate social responsibility and sustainability policy and strategy, risk management, compensation policy and the long-term incentive plan, Board and management succession planning, intragroup restructuring, and the reports and resolution proposals to the General Meeting.

There were no transactions or contractual relationships in 2017 between the Group and its Board members giving rise to conflicts of interests.

4.1.3. Evaluation

In 2016, the Board of Directors concluded an evaluation by an independent competent third party hired to advise the Board on how it can better follow best practices. Evaluations like this are done every two to three years and focus primarily on Board composition, how it functions, disclosures and interactions between the Board and executive management, and the composition and functioning of the Committees it creates. Board members were invited to provide input on these points during questionnaire-based interviews performed by Spencer Stuart, an external consultant.

The next evaluation of the Board of Directors will be started in 2018.

4.1.4. Training

In 2017, a number of key executives made presentations to the Board on operational and functional topics, making sure the Board stays familiar and informed on topics that are relevant and important for the Group beyond those requiring immediate decisions.

The Board of Directors also visited industrial and research sites: the Solvay Research and Innovation center in Seoul (South Korea) and two plants in South Korea and China. This trip gave the opportunity to the Board members to meet with the local operational teams and to be confronted with the business and industrial reality of these Asian operations of the Group.

The Board of Directors devotes at least one meeting per year to an update on trends in global sustainable development issues (including climate change risks and opportunities) and how they affect the Group, so that it can properly and consistently factor those issues into Solvay’s operations.

4.2. Board committees

The Board of Directors has set up the following permanent specialist Committees: Audit Committee, Finance Committee, Compensation Committee, and Nominations Committee.

The terms of all of the various Committee members will expire on Tuesday, May 8, 2018, on the date of the Ordinary Shareholders’ Meeting. They will be renewed for a two-year period ending on the date of the Ordinary Shareholders’ Meeting in 2020.
As at December 31, 2017, the composition of the four Board Committees 2017 was as follows:

<table>
<thead>
<tr>
<th>Audit Committee</th>
<th>Finance Committee</th>
<th>Compensation Committee</th>
<th>Nominations Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Nicolas Boël</td>
<td>Chairman</td>
<td>Chairman</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Jean-Pierre Clamadieu</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Bernard de Laguiche</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Denis Solvay</td>
<td>Prof. Dr. Bernhard Scheuble</td>
<td>Member</td>
<td></td>
</tr>
<tr>
<td>Mr. Charles Casimir Lambert</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Hervé Coppens d’Eeckenbrugge</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Yves-Thibault de Silguy</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs. Evelyn du Monceau</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs. Françoise de Viron</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs. Amparo Moraleda Martinez</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs. Rosemary Thorne</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Gilles Michel</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs. Marjan Oudeman</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The composition, role, responsibilities, and procedures of these four boards are described in an Appendix to the Charter.

4.2.1. The Audit Committee Composition:

- All members are non-executive directors, a majority of whom are independent,
- The directors must fulfill the competency criterion by virtue of the training and the experience they gained in previous functions (see section 4.1.1 regarding the composition of the Board of Directors),
- The secretary is a member of the Group’s internal legal staff.

Meetings:

- Six in 2017, including four before the Board meetings scheduled to consider the publication of periodic results (quarterly, semiannual and annual),
- Meeting attendance was 100%.

Activities:

- Review and consider reports from the Chief Financial Officer, the head of the Group Internal Audit, and the auditor in charge of the external audit (Deloitte, represented by Mr. Michel Denayer),
- Examine the quarterly report by the Group General Counsel on significant ongoing legal disputes and reports on tax and intellectual property disputes,
- Meet alone with the auditor in charge of the external audit whenever such a meeting is deemed useful,
- Meet once a year with the Chairman of the Executive Committee and CEO (Mr. Jean-Pierre Clamadieu); all other Board members are invited on that occasion to discuss the major risks facing the Group,
- Monitor and assess risk exposure as well as the effectiveness of controls and mitigation plans.

4.2.2. The Finance Committee Composition:

- Six members,
- Mr. Karim Hajjar (Executive Committee member and CFO) is invited to attend the Finance Committee meetings,
- The Secretary is Mr. Michel Defourny, Group Corporate Secretary.

Meetings:

- This Committee met four times in 2017,
- Meeting attendance was 95.8%.

Activities:

- Gives an opinion on financial matters such as the amounts of the interim and final dividends, the levels and currencies of indebtedness, monitoring the credit strength of the Group’s balance sheet, hedging foreign exchange and energy risks, the hedging policy for the long-term incentive plans, the content of financial communication, and financing major investments,
- Finalizes the preparation of the press releases announcing quarterly results,
- When called upon, it gives opinions on Board policies on the above matters,
- Makes all recommendations to the Board of Directors.
4.2.3. The Compensation Committee

Composition:
- A majority of members are independent,
- The Compensation Committee has the expertise necessary to perform its mission,
- The Chairman of the Executive Committee is invited to meetings, except in the case of matters that concern him personally,
- The Secretary is Mr. Michel Defourny, Group Corporate Secretary.

Meetings:
- Meetings are prepared by the Group General Manager Human Resources, who attends the meetings,
- One meeting was held in 2017,
- Meeting attendance was 83.3%.

Activities:
The Compensation Committee fulfills the duties imposed on it by Article 526 quarter section 5 of the Companies Code.

It advises the Board of Directors on:
- the Company’s compensation policy and principles,
- the compensation levels for members of the Board of Directors and the Executive Committee,
- the Chairman of the Executive Committee’s compensation, short-term incentives and long-term incentives, and performance assessment
- Allocation of long-term incentives (performance share units and stock options) to the Company’s senior manager.

4.2.4. The Nominations Committee

Composition:
- The majority of members are non-executive independent directors,
- The Chairman of the Executive Committee is invited to meetings, except in the case of matters that concern him personally,
- The Secretary is Michel Defourny, Group Corporate Secretary.

Meetings:
- Three meetings were held in 2017,
- Meeting attendance was 94.4%.

Activities:
The Nominations Committee gives its opinion on appointments to the Board of Directors (chairman, new members, renewals, and committees), to Executive Committee positions (chairmanship and members), and to general management positions.

5. EXECUTIVE COMMITTEE

The role, responsibilities, composition, procedures and evaluation of the Executive Committee are described in detail in the Charter. In addition, the internal rules of the Executive Committee are attached to the Charter.

As at December 31, 2017, the Executive Committee was composed of the following five members.

Jean-Pierre Clamadieu
French
Year of first appointment: 2011
Presence at meetings in 2017: 15/15
Born in: 1958
Term of office ends: 2019

Diplomas and main Solvay activities:
Engineering degree from the École des Mines (Paris). Chairman of the Executive Committee and CEO.
<table>
<thead>
<tr>
<th>Year of first appointment</th>
<th>Presence at meetings in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vincent De Cuyper</td>
<td>Belgian</td>
</tr>
<tr>
<td>Born in: 1961</td>
<td>Term of office ends: 2018</td>
</tr>
<tr>
<td>Diplomas and main Solvay activities: Chemical engineering degree (Catholic University of Louvain), Master’s in Industrial Management (Catholic University of Leuven), AMP Harvard Executive Committee member</td>
<td></td>
</tr>
<tr>
<td>Karim Hajjar</td>
<td>British</td>
</tr>
<tr>
<td>Born in: 1963</td>
<td>Term of office ends: 2019</td>
</tr>
<tr>
<td>Diplomas and main Solvay activities: BSC (Hons) Economics (The City University, London). Chartered Accountancy (ICAEW) Qualification. Executive Committee member and CFO.</td>
<td></td>
</tr>
<tr>
<td>Roger Kearns</td>
<td>American</td>
</tr>
<tr>
<td>Born in: 1963</td>
<td>Term of office ends: 2018</td>
</tr>
<tr>
<td>Diplomas and main Solvay activities: Bachelor of Science – Engineering Arts (Georgetown College – Georgetown), Bachelor of Science – Technology – Atlanta), MBA (Stanford University). Executive Committee member.</td>
<td></td>
</tr>
<tr>
<td>Pascal Juéry</td>
<td>French</td>
</tr>
<tr>
<td>Born in: 1965</td>
<td>Term of office ends: 2018</td>
</tr>
<tr>
<td>Diplomas and main Solvay activities: Graduate of the European Business School of Paris (ESCP – Europe). Executive Committee member.</td>
<td></td>
</tr>
</tbody>
</table>
On May 1, 2017, July 1, 2017, and January 1, 2018, the Board of Directors renewed the respective two-year terms of Vincent De Cuyper, Roger Kearns, and Pascal Juéry as members of the Executive Committee. Their new terms therefore expire respectively on May 1, 2019, July 1, 2019, and January 1, 2020.

6. COMPENSATION REPORT

Stakeholder engagement
Solvay actively reached out to its shareholders to discuss its approach to governance, including compensation matters. This is part of the Company’s ongoing shareholder engagement program which Solvay will continue to undertake as part of its commitment to build upon this constructive dialog with its shareholders.

The increased disclosure in this year’s Compensation Report surrounding Solvay’s short-term and long-term incentives reflects the input received from Solvay’s shareholders. Solvay believes that these changes, together with the existing compensation practices, have resulted in a compensation structure that incentivizes the executive team to deliver sustained long-term performance in a transparent manner, whilst ensuring that Solvay continues to uphold its key principle of rewarding the executives for performance.

In terms of Solvay’s overall compensation structure, the Compensation Committee’s annual review confirmed that the current pay mix and design remains appropriate. Accordingly, no changes to the overall structure of pay offered to Solvay’s executives were considered necessary.

6.1. Governance
The compensation report for the corporate governance has been prepared by the Compensation Committee.

6.2. Board of Directors compensation
Solvay SA directors are remunerated with fixed emoluments, the common basis of which is set by the Ordinary Shareholders’ Meeting, and any complement thereto by the Board of Directors on the basis of Article 26 of the bylaws, which states that:

- “Directors shall receive emoluments payable from overhead costs; the Shareholders’ Meeting shall determine the amount and terms of payment”;
- “That decision shall stand until another decision is taken”;
- “The Board of Directors shall be authorized to grant directors with special duties (the Chairman, vice-Chairmen, directors charged with day-to-day management, members of the Executive Committee) fixed emoluments in addition to those provided for in the above paragraph”;
- “Each of the Directors responsible for day-to-day management is also entitled to variable compensation determined by the Board of Directors on the basis of their individual results and of the consolidated results of the Solvay Group”;
- “The sums referred to in the two preceding sub-sections are also paid out of overhead costs”.

6.2.1. Board of Directors individual compensation
- The Ordinary Shareholders’ Meetings of June 2005 and May 2012 (for Board attendance fee) decided to set directors’ pay, starting from the 2005 financial year, as follows:
  - an annual gross fixed compensation of €35,000 per director and additionally an individual attendance fee of €4,000 gross per Board meeting attended,
  - €4,000 gross for members of the Audit Committee and €6,000 gross for its Chairman for each meeting of the committee attended,
  - €2,500 gross per member of the Compensation Committee, Nominations Committee and Financial Committee and €4,000 gross for the chairmen of these committees for each meeting attended, on the understanding that a director sitting on both the Compensation Committee and the Nominations Committee does not receive double compensation,
  - no attendance fees for the Chairman of the Board, the Chairman of the Executive Committee and the executive directors taking part in these committees.
- For the Chairman of the Board, the Board of Directors used its authorization under Article 26 of the bylaws to grant an additional yearly fixed compensation of €250,000 gross, unchanged since 2012, by reason of the workload and the responsibility attached to this.
- Non-executive directors do not receive variable compensation linked to results or other performance criteria. More specifically, non-executive directors are not entitled to annual bonuses, stock options or performance share units, or to any supplemental pension scheme.
- The Company reimburses directors’ travel and expenses for meetings and when they exercise their Board and Board Committee functions.
The Chairman of the Board is the sole non-executive director for whom the Group provides administrative support (including the provision of an office, use of the General Secretariat, and a car). The other non-executive directors receive logistical support from the General Secretariat as and when needed. The Company also provides customary insurance policies covering Board of Directors’ activities in carrying out their duties.

The Compensation Committee expects no major changes in the structure of the compensation packages for the Board Members for the next two years (2018 and 2019).

### 6.2.2. Amount of the compensation and other benefits granted directly or indirectly to directors (executive and non-executive) by the Company or by an affiliated company

#### Gross compensation and other benefits granted to directors

<table>
<thead>
<tr>
<th>Compensation</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>In € Total gross amount including fix fees</td>
<td>Board of Directors and Committees attendance fees</td>
<td>Total gross amount including fix fees</td>
</tr>
<tr>
<td>N. Boël</td>
<td>63,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Fixed emoluments + attendance fees</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>“Article 26” supplement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Solvay</td>
<td>56,000</td>
<td>21,000</td>
</tr>
<tr>
<td>J-P. Clamadieu</td>
<td>63,000</td>
<td>28,000</td>
</tr>
<tr>
<td>J-M. Solvay</td>
<td>59,000</td>
<td>24,000</td>
</tr>
<tr>
<td>A. Poirier</td>
<td>34,572</td>
<td>12,000</td>
</tr>
<tr>
<td>B. de Laguiche</td>
<td>97,000</td>
<td>62,000</td>
</tr>
<tr>
<td>B. Scheuble</td>
<td>99,000</td>
<td>64,000</td>
</tr>
<tr>
<td>C. Casimir-Lambert</td>
<td>87,000</td>
<td>52,000</td>
</tr>
<tr>
<td>H. Coppens d'Eeckenbrugge</td>
<td>97,000</td>
<td>62,000</td>
</tr>
<tr>
<td>E. du Monceau</td>
<td>70,500</td>
<td>35,500</td>
</tr>
<tr>
<td>Y-T. de Silguy</td>
<td>81,000</td>
<td>46,000</td>
</tr>
<tr>
<td>A. Moraleda</td>
<td>66,500</td>
<td>31,500</td>
</tr>
<tr>
<td>F. de Viron</td>
<td>70,500</td>
<td>35,500</td>
</tr>
<tr>
<td>G. Michel</td>
<td>66,500</td>
<td>31,500</td>
</tr>
<tr>
<td>R. Thorne</td>
<td>87,000</td>
<td>52,000</td>
</tr>
<tr>
<td>M. Oudeman</td>
<td>87,000</td>
<td>52,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,434,572</strong></td>
<td><strong>637,000</strong></td>
</tr>
</tbody>
</table>

(1) From May 9, 2017.

### 6.3. Executive Committee compensation

#### 6.3.1. Solvay compensation philosophy

Solvay’s compensation policy aims to ensure that its Executive Committee is rewarded according to its success in contributing to Solvay’s long-term objectives of becoming a more resilient, more sustainable, and more innovative multi-specialty Group with high added value.

The Solvay Compensation Structure is designed in line with the following principles:

- Total compensation is designed to be competitive in the relevant market, so as to attract, retain, and motivate the high caliber executives needed to deliver the Group’s strategy and drive business performance.
- Short-term and long-term variable compensation is tied directly to the achievement of strategic objectives to drive sustainable performance and recognize excellent results.
- Compensation decisions are compliant and equitable, and balance cost and value appropriately.
6.3.2. Compensation structure

Every year, the Compensation Committee obtains compensation data relating to the international market from Willis Towers Watson, a globally recognized compensation consultant.

Solvay’s compensation structure for its Executive Committee is designed in accordance with the “pay-for-performance” approach approved by the Board of Directors, focusing on the Company’s short-term and long-term performance. The level and structure of the compensation packages are aligned with market practices for similar functions at comparable companies.

Solvay’s frame of reference for assessing relevant competitive practice is a selection of European chemical and industrial manufacturing companies whose international operations, annual revenues, and headcount are reasonably close to its own. The Company periodically reviews the composition of this peer group to ensure that it continues to reflect Solvay’s strategic direction.

The peer group is currently composed of 17 European multinational companies incorporated in six different European countries (Belgium, France, Germany, Netherlands, Switzerland, and the UK) and active in the chemical and/or the industrial sectors.

Overall, Solvay seeks to position itself at or around the relevant market median for base salary and benefits. Variable compensation, both short-term and long-term, is designed to provide top quartile pay if executives deliver superior performance.

The Compensation Committee expects no major changes in the structure of the compensation packages for the Chairman and the members of the Executive Committee for the next two years (2018 and 2019).

**Compensation structure components:**

<table>
<thead>
<tr>
<th>Fixed Compensation and Benefits</th>
<th>Short and Long Term Variable Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Base Salary</td>
<td>Short Term Incentive</td>
</tr>
<tr>
<td>Pension and Benefits</td>
<td>Performance Share Units (*)</td>
</tr>
<tr>
<td></td>
<td>Stock Options (*)</td>
</tr>
</tbody>
</table>

(*): The corresponding number of stock options (SOP) is determined at grant date, based on the fair market value of the SOP. The PSU value is the closing share price on the grant date.

**Base salary**

The base salary reflects the individual’s experience, skills, duties, and responsibilities, and the contribution of the individual and role within the Group. It is paid monthly.

Base salary is reviewed annually and may increase considering a number of factors, including: (1) comparable salaries in appropriate comparator groups; (2) changes within the scope of the role; and (3) changes in the Group’s size and profile.
**Pension and other benefits**

The primary purpose of pension and insurance plans is to establish a level of security for Solvay employees and their dependents with respect to age, health, disability and death. The benefits offered aim to be market-competitive, driving employee engagement and commitment in Solvay business.

**Short-term incentive (STI)**

Short-term incentives are linked partly to Group performance and partly to individual performance to drive and reward the overall annual performance of executives. Their short-term incentives have maximum award limits and are denoted as a multiple of their respective base salaries.

Performance is assessed on an annual basis using a combination of pre-determined Group and individual performance targets set at the start of the year, as approved by the Compensation Committee. More specifically, the performance measures are:

- Group performance measured against annual underlying EBITDA (under a specific Free Cash Flow constraint) and Sustainable Development indicator.
- Individual performance: measured against a set of pre-determined annual objectives, approved by the Board of Directors.

**Long-term incentive (LTI)**

Long-term incentives consist of a 50/50 mix of stock options (SOP) and performance share units (PSU). Each annual LTI plan is subject to prior Board approval.

The Executive Committee (or the Board of Directors for the Executive Committee members) retains the right to exercise discretion, both upwards and downwards, of 50% of the target, to ensure that the level of award payable is appropriate and fair for special or unique achievements or circumstances, or to acknowledge insufficient performance. Where discretion is exercised, the 50/50 split principle between SOP and PSU grants will be respected and the rationale for the use of such discretion will be disclosed.

**Stock options**

The Compensation Structure offers a competitive LTI vehicle mirroring Belgian market practice. The stock option plan gives each beneficiary the right to buy Solvay shares at a strike price corresponding to the fair market value of the shares upon grant. They will only generate a potential gain for the beneficiaries if the stock price rises.

The use of stock options aims to incentivize Solvay’s executives to work towards achieving robust sustainable returns for shareholders while offering the Company a robust retention tool. Under Belgian law, unlike other jurisdictions, taxes on stock options need to be paid by the executives at the time of grant. Therefore Solvay, like other Belgian companies, sets no additional performance criteria for determining the vesting of stock options, which nonetheless need to be held for a three-year vesting schedule.

Every year, the Board of Directors determines the volume of stock options available for distribution, based on an assessment of the economic fair value at grant using the Black Scholes financial formula. The total volume of options available is then allocated to the top executives of the Company based on the importance of their individual contribution/position to the success of the Solvay Group.

**Key features:**

- Options are granted at the money (or fair market value).
- Options become exercisable for the first time after three (3) full calendar years following grant.
- Options have a maximum term of eight years.
- Options are not transferrable inter vivos.
- The plan includes a bad leaver clause.

**Performance Share Units (PSU)**

The PSU ensure alignment with market best practices, helping Solvay to remain competitive and to attract and retain key executives while offering a performance-contingent vehicle to incentivize executives to help deliver Solvay’s long-term strategic objectives.

The PSU are settled in cash. They vest after three years from the date of grant and only if a combination of pre-set performance objectives are met (i.e. underlying EBITDA Growth, CFROI, and Greenhouse Gas Intensity Reduction). The minimum payout can vary from zero if the minimum performance required or “threshold” is not met, to 80% if the minimum performance “threshold” is met, and up to a maximum of 120% for a performance exceeding the pre-set stretch performance target.

Each year, the Board of Directors determines the budget available for distribution based on the closing value of Solvay’s share at grant date. The total volume of PSU available is then allocated to the executives based on their expected ability to contribute substantially to the achievement of Solvay’s long-term strategic objectives.
**Key features:**
- The plan is purely cash-based and does not encompass any transfer of shares to beneficiaries. As such, it does not dilute the shareholders’ interests.
- The vesting of the awards is based on meeting pre-set performance targets for: (1) Underlying EBITDA growth (40% of the award), (2) CFROI (40% of the award), and (3) Greenhouse Gas (GHG) intensity reduction (20% of the award) (*).  
- The performance period is measured over three years,  
- Condition of employment up to achievement of performance targets.

### 2014-16 LTI performance share units payout

#### Target & Performance actuals

<table>
<thead>
<tr>
<th></th>
<th>Threshold</th>
<th>Target</th>
<th>Maximum</th>
<th>Actual</th>
<th>Actual %</th>
<th>Total actual %</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFROI (%) – 50%</td>
<td>6.3%</td>
<td>6.6%</td>
<td>6.9%</td>
<td>6.53%</td>
<td>95.0%</td>
<td>97%</td>
</tr>
<tr>
<td>EBITDA (m€) – 50%</td>
<td>2,380</td>
<td>2,530</td>
<td>2,680</td>
<td>2,519</td>
<td>98.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Payout**
The conjunction of the performance achievement at 97%, the share price differential (grant share price vs. share price at vesting) and the total dividends over three years (€10.15 per unit) has generated a payout of 111% of the target PSU amount.

**6.3.3. Chief Executive Officer**
The remuneration package of the Chairman of the Executive Committee (or the CEO) is in full compliance with Article 520 ter of the Companies’ Code and is set by the Board of Directors based on recommendations by the Compensation Committee.

Under Article 520 ter of the Companies Code, from 2011 onwards, in the absence of statutory provisions to the contrary or express approval by the General Meeting of Shareholders, at least a quarter of variable compensation must be based on pre-determined performance criteria that are objectively measurable over a period of at least two years, and at least another quarter should be based on pre-determined performance criteria that are objectively measurable over a period of at least three years.

**CEO Compensation Structure**

**Base salary**
The base salary of the Chairman of the Executive Committee remains unchanged at €1.1 million and is positioned at the market median of Solvay’s peer group of 17 European companies.

**Payout in cash based on the value of Solvay shares at vesting date.**

At its sole discretion, the Executive Committee (or the Board of Directors for executive members) assesses the achievement of the targets, and the Executive Committee (or the Board of Directors for executive members) may also re-evaluate the targets in cases of material change of perimeter or other unexpected circumstances. With regard to the latter, such discretion will not be used as a matter of routine and, if used, the rationale for the use of such discretion will be disclosed.

**Pension & benefits**
Regarding the CEO’s extra-legal pension rights, given his self-employed status in Belgium, the CEO has his own separate contractual agreement, with pension, death-in-service, and disability rules that reflect the contractual conditions that prevailed in Rhodia prior to the acquisition by Solvay.

**Short-term incentive**
The short-term incentive target is set at 100% of base salary, with a maximum of 150%. Payout of short-term incentive is based on the achievement of pre-defined performance targets based on:

- for 50% of the award – the Group’s underlying EBITDA (under a specific Free Cash Flow constraint),
- for 10% of the award – the Group’s Sustainable Development indicators. These indicators include, but are not limited to, Solvay’s inclusion in extra-financial indexes and progress made on the internal sustainable development reference system, Solvay Way. Solvay Way defines the Group’s approach to sustainability and covers all the Group’s management systems,
- for 40% of the award – individual objectives such as portfolio management (divestments/acquisitions), Research & Innovation (R&I) strategy, and People Engagement.

(*) new criteria applicable with effect from LTIs granted in 2017
Long-term incentive

The long-term incentives offered to the CEO comprise a 50/50 mix of stock options and PSU, with an annual economic value target set at 150% of the base salary and a maximum guidance set at 200% of such base salary.

2017 Award

In 2017, the face value of his overall LTI award totaled €1.65 million, in line with his LTI target of 150% of base salary. The actual gain on the PSU at the payout date will depend upon on the level of achievement of the performance targets set under the plan as well as of the performance of Solvay shares on the stock market. The resulting numbers of stock options and PSU are calculated using the Black Scholes model.

The design of the Solvay long-term incentive plan offered to the CEO is subject to the final approval of the Board of Directors. Solvay’s commitment to offering its CEO a competitive yet challenging compensation package is demonstrated by the pay mix he is offered, with close to 70% of his pay being subject to the delivery of a sustainable value creation performance.

**CEO total compensation at target for 2017**

<table>
<thead>
<tr>
<th></th>
<th>Annual Base</th>
<th>x</th>
<th>Target award</th>
<th>x</th>
<th>Grant Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTI – Perf. Share Units</td>
<td>€ 1,100,000</td>
<td>x</td>
<td>(150% / 2)</td>
<td>x</td>
<td>€ 825,000</td>
</tr>
<tr>
<td>LTI – Stock Option</td>
<td>€ 1,100,000</td>
<td>x</td>
<td>(150% / 2)</td>
<td>x</td>
<td>€ 825,000</td>
</tr>
<tr>
<td>LTI – Total</td>
<td>€ 1,100,000</td>
<td>x</td>
<td>(150% / 2)</td>
<td>x</td>
<td>€ 1,650,000</td>
</tr>
</tbody>
</table>

**Amount of compensation paid and other benefits granted directly or indirectly to the Chairman of the Executive Committee**

Based on the Board of Directors’ assessment of the extent to which he achieved his individual pre-set objectives and whether the Group achieved its collective economic and sustainable development indicators, the actual 2017 compensation package of the Chairman of the Executive Committee was as follows:

**Compensation paid and other benefits granted to the Chairman of the Executive Committee**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base compensation</td>
<td>1,100,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Variable compensation (Short Term Incentive)(1)</td>
<td>1,639,000</td>
<td>1,325,000</td>
</tr>
<tr>
<td>2014-16 Performance Share Units (Cash)(2)</td>
<td>888,805</td>
<td>406,879</td>
</tr>
<tr>
<td>Pension and death-in-service and disability coverage (costs paid or provided for)</td>
<td>728,241</td>
<td>698,601</td>
</tr>
<tr>
<td>Other compensation components(3)</td>
<td>16,652</td>
<td>15,279</td>
</tr>
</tbody>
</table>

(1) Delivered either in cash or in warrants or in share options based on the Euronext Index SICAV.
(2) Includes share price differential and dividends.
(3) Company vehicle.
Short-term incentive calculation

The annual incentive target remained set at 100% of the base salary, with a maximum of 150%.

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>% of the STI</th>
<th>Achievement</th>
<th>Payout factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBITDA (under cash constraint)</td>
<td>50%</td>
<td>138%</td>
<td>69%</td>
</tr>
<tr>
<td>Sustainable Development</td>
<td>10%</td>
<td>181%</td>
<td>18%</td>
</tr>
<tr>
<td>Individual Objectives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>40%</td>
<td>154%</td>
<td>62%</td>
</tr>
<tr>
<td>People Model</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td>149%</td>
</tr>
</tbody>
</table>

Each performance measure can vary from 0% to 200% achievement but the maximum total payout is capped at 150% of the target.

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Target in % of base salary</th>
<th>% of the STI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBITDA (under cash constraint)</td>
<td>70%</td>
<td>60%</td>
</tr>
<tr>
<td>Sustainable Development</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Individual Objectives</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

The scores 0% and 200% are defined using a range of -/+200M€ with a target set at 2,390M€. With 2,466M€ underlying EBITDA achieved in 2017 before polyamide reclassification in discontinued operations, the Economic incentive scores is 138% vs target.

The 2017 STI of the CEO corresponds to 149% of his Base Salary, i.e. close to the maximum of 150% of Base Salary, as assessed by the Compensation Committee and approved by the Board. This outcome is the result of:

- Group performance: underlying EBITDA under cash constraint and Sustainable Development indicators,
- Individual performance: pre-set annual objectives,
  - Strategy: finalization of portfolio strategic moves (sale of Polyamide activities), closing of sale of stake in Vinythai and Acetow,
  - Optimization and functioning of the organization: strategic rationale and process design,
  - Talent development: Cytec management cross-fertilization, Executive Committee individual members development plan and evolution.

2014-16 PSU payout

<table>
<thead>
<tr>
<th>Total Perf. Share Units Payout (cash)</th>
<th>2014-16 PSU target award</th>
<th>Payout Factor</th>
<th>Cash Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 800,000</td>
<td>€ 800,000</td>
<td>111%</td>
<td>€ 888,805</td>
</tr>
</tbody>
</table>

6.3.4. Other members of the Executive Committee

Pension and other benefits

The Executive Committee members are entitled to retirement, death-in-service, and disability benefits on the basis of the provisions of the plans applicable in their home countries. Other benefits, such as medical care and company cars or car allowances, are also provided according to the rules applicable in the host country. The nature and magnitude of these other benefits are largely in line with median market practice.

Short-term incentive
The target short-term incentive for the members of the Executive Committee is 70% of base salary, with a maximum of 140% of base salary. Payout of short-term incentive is based on the achievement of pre-defined performance targets based on:

- for 60% of the award – the Group's underlying EBITDA (under a specific Free Cash Flow constraint)
- for 10% of the award – the Group's Sustainable Development indicators. These indicators include, but are not limited to, Solvay's inclusion in extra-financial indexes and progress made on the internal sustainable development reference system, Solvay Way. Solvay Way defines the Group's approach to sustainability and covers all the Group's management systems,
- for 30% of the award – the individual performance of the manager as measured against a set of predetermined objectives.

The actual annual incentive can vary from 0% in cases of poor performance to 200% of the target in cases of outstanding collective and individual performance.

### Long-term Incentive

<table>
<thead>
<tr>
<th>Performance Shares Units (PSU's)</th>
<th>Stock Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Grant</td>
<td>Target Grant</td>
</tr>
<tr>
<td>€ 250,000</td>
<td>€ 250,000</td>
</tr>
</tbody>
</table>

### Total amount of compensation paid and other benefits granted directly or indirectly to the other members of the Executive Committee by the Company or an affiliated company

<table>
<thead>
<tr>
<th>Compensation paid and other benefits granted to the other Members of the Executive Committee</th>
<th>2017(1)</th>
<th>2016(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base compensation</td>
<td>2,337,909</td>
<td>2,259,531</td>
</tr>
<tr>
<td>Variable compensation (Short Term Incentive)(3)</td>
<td>2,288,777</td>
<td>1,802,934</td>
</tr>
<tr>
<td>Performance Share Units (Cash)(4)(5)</td>
<td>1,111,189</td>
<td>406,880</td>
</tr>
<tr>
<td>Pension and death-in-service and disability coverage (costs paid or provided for)</td>
<td>742,561</td>
<td>672,567</td>
</tr>
<tr>
<td>Other compensation components(6)</td>
<td>139,490</td>
<td>118,151</td>
</tr>
</tbody>
</table>

(1) V. De Cuyper, R. Kearns, K. Hajjar, P. Juéry
(2) V. De Cuyper, R. Kearns, K. Hajjar, P. Juéry.
(3) Delivered either in cash or in warrants or in share options based on the Euronext Index SICAV
(4) Includes share price differential and dividends
(5) K. Hajjar not included in 2016 payout relative to plan 2013-15 (joined after the 2013 LTI grant)
(6) Representation allowance, luncheon vouchers, company car

Variable compensation consisted of an annual incentive based on the performance achieved relative to pre-set collective Group economic and sustainable development performance objectives, and on the performance of the manager as measured against a set of pre-determined individual objectives.

The remuneration package of the members of the Executive Committee is in full compliance with Article 520 ter of the Companies’ Code.

Executive Committee members receive stock options and performance share units as explained above.

Executive Committee members’ expenses, including those of its Chairman, are governed by the same rules as apply to all Group management staff, i.e. the justification of all business expenses, item by item. Private expenses are not reimbursed.

In the case of mixed business/private expenses (e.g. cars), a proportional rule is applied in the same way as to all management staff in the same position.

In the area of insurance, the Company takes out the same type of cover for Executive Committee members as it does for its senior managers.

Pensions and retirement and death-in-service coverage for Executive Committee members are based in principle on the provisions of the schemes applicable to senior executives in their base countries.
6.4. **Stock options and PSU allotted in 2017 to Executive Committee members**

In 2017, at the proposal of the Compensation Committee, the Board of Directors allotted stock options to approximately 70 Group senior executives. The exercise price amounts to €111.27 per option, with a three-year vesting period. Executive Committee members were granted a total of 79,551 options in March 2017, compared with 208,260 options in 2016.

In combination with the stock option plan, the Board of Directors granted performance share units to approximately 450 Group executives, for a possible payout in three years' time if pre-set performance objectives (underlying EBITDA growth, CFROI, and GHG Intensity reduction) are met. Executive Committee members were granted a total of 16,349 PSU in March 2017 compared with 23,425 PSU in 2016 (2).

<table>
<thead>
<tr>
<th>Country</th>
<th>Name</th>
<th>Function</th>
<th>Number of Options(1)</th>
<th>Number of PSU's(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Clamadieu, Jean-Pierre</td>
<td>Chairman of the Executive Committee</td>
<td>35,002</td>
<td>7,193</td>
</tr>
<tr>
<td>Belgium</td>
<td>De Cuyper, Vincent</td>
<td>Member of the Executive Committee</td>
<td>12,728</td>
<td>2,616</td>
</tr>
<tr>
<td>Belgium</td>
<td>Kearns, Roger</td>
<td>Member of the Executive Committee</td>
<td>10,607</td>
<td>2,180</td>
</tr>
<tr>
<td>Belgium</td>
<td>Hajjar, Karim</td>
<td>Member of the Executive Committee</td>
<td>10,607</td>
<td>2,180</td>
</tr>
<tr>
<td>Belgium</td>
<td>Juéry, Pascal</td>
<td>Member of the Executive Committee</td>
<td>10,607</td>
<td>2,180</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>79,551</strong></td>
<td><strong>16,349</strong></td>
</tr>
</tbody>
</table>

(1) Stock options: Black Scholes fair value for 2017 grant was at €23.57
(2) PSUs share price for 2016 grant was at €114.70

**Stock Options held in 2017 by Executive Committee Members**

<table>
<thead>
<tr>
<th>Country</th>
<th>Name</th>
<th>Held at 31/12/2016</th>
<th>Granted in 2017</th>
<th>Exercised in 2017</th>
<th>Expired in 2016</th>
<th>31/12/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Held</td>
<td>Exercisable</td>
<td>Non exercisable</td>
<td>Held</td>
<td>Exercisable</td>
</tr>
<tr>
<td>Belgium</td>
<td>Clamadieu, Jean-Pierre</td>
<td>253,825</td>
<td>65,188</td>
<td>0</td>
<td>223,639</td>
<td>37,430</td>
</tr>
<tr>
<td>Belgium</td>
<td>De Cuyper, Vincent</td>
<td>85,027</td>
<td>13,087</td>
<td>0</td>
<td>84,668</td>
<td>30,565</td>
</tr>
<tr>
<td>Belgium</td>
<td>Kearns, Roger</td>
<td>143,791</td>
<td>28,728</td>
<td>0</td>
<td>125,670</td>
<td>44,397</td>
</tr>
<tr>
<td>Belgium</td>
<td>Hajjar, Karim</td>
<td>56,021</td>
<td>10,607</td>
<td>0</td>
<td>66,628</td>
<td>0</td>
</tr>
<tr>
<td>Belgium</td>
<td>Juéry, Pascal</td>
<td>69,812</td>
<td>10,607</td>
<td>0</td>
<td>80,419</td>
<td>28,437</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>608,476</td>
<td>79,551</td>
<td>107,003</td>
<td>581,024</td>
<td>140,829</td>
</tr>
</tbody>
</table>

6.5. **Key provisions of Executive Committee members’ contractual relationships with the Company and/or an affiliated company, including the provisions relating to compensation in the event of early departure**

Executive Committee members, including its Chairman (or CEO), have directorships in Group subsidiaries as a function of their responsibilities. Where such directorships are compensated, they are included in the amounts given above, regardless of whether the position is deemed to be salaried or undertaken on a self-employed basis under local legislation.

Executive Committee members will not benefit from any contractual departure indemnity linked to the exercise of their office. In case of early termination, only the legal system applies.

Mr. Jean-Pierre Clamadieu’s contract does not include a contractual indemnity in case of early termination except a 24-month non-competition clause.

Executive Committee members’ contracts currently do not contain a clause providing a right of claw-back of variable compensation in cases of erroneous financial information.

7. **MAIN CHARACTERISTIC OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS**

Solvay leaders and managers are accountable for the adequacy of the risk management and internal control framework in their respective entities (businesses, functions).

The Internal Audit & Risk Management Department (IA/RM) advises and ensures that leaders are well supported. The team is in charge of setting up a comprehensive and consistent system of risk management and internal control across the Group.
Solvay has set up an internal control system designed to provide a reasonable assurance that (i) current laws and regulations are respected, (ii) policies and objectives set by general management are implemented, (iii) financial and extra-financial information is accurate, and (iv) internal processes are efficient, particularly those contributing to the protection of its assets.

The five components of the internal control system are described below.

7.1. The control environment

As the foundation of the internal control system, the control environment promotes awareness and compliant behavior among all employees. Its various elements create a clear structure of principles, rules, roles, and responsibilities, while demonstrating general management’s commitment to compliance.

- The Solvay Management Book lists guiding principles and defines the roles and responsibilities of the Executive Committee, Global Business Units, and functions.
- The Code of Conduct is available on Solvay’s website. More information can be found in the Charter on Corporate Governance.
- An Ethics Helpline, managed by a third party, enables employees to report potential Code of Conduct violations if they cannot go through their managers or through the Compliance organization, or if they wish to remain anonymous. More information can be found in the Charter on Corporate Governance.
- Standardized processes are in place for financial and non-financial activities.

7.2. The risk assessment process

The process of risk management takes into account the organization’s strategic objectives and is structured into the following phases:

- Risk analysis (identification and evaluation)
- Decision on how to manage the critical risks
- Implementation of risk management actions
- Monitoring of those actions.

The approach to designing internal controls for major processes includes a risk assessment step defining which key control objectives to tackle. This is the case in particular for processes at subsidiary, shared service, GBU, or corporate level, leading to the production of reliable financial reporting.

More information on Enterprise Risk Management, including a description of the Group’s main risks and the actions taken to avoid or reduce them, can be found in the “Risk management” section.

7.3. Control activities

Solvay uses a systematic approach to designing and implementing control activities for the most relevant Solvay processes.

After a risk analysis and a risk assessment phase, the controls are designed and described by the corporate process managers with the support of the Risk Management team. The controls descriptions are used as a reference for the internal control assessment and roll-out across the Group.

At each level of the Group (corporate, Shared Services platforms, and GBUs), the manager operating the process is responsible for the control execution.

An annual internal control plan (indicating which issues and controls are to be priorities for the coming year, as well as the roll-out plan) is validated each year by an Internal Control Steering Committee chaired by the Group CFO and comprising all function general managers.

Solvay implements policies, processes, and red lines applicable to all employees in the following domains: management control, financing and cash flow, financial control, financial communication, tax, and insurance policies. Control activities are defined for all these financial processes and in major cross-Group projects, like acquisitions and divestitures. Furthermore, an online Financial Reporting Guide explains how the IFRS rules should be applied throughout the Group.

Financial elements are consolidated monthly and analyzed at every level of responsibility in the Company (Solvay Business Services, the finance director of the entity, Group Accounting and Reporting, and the Executive Committee). Elements are analyzed using various methods, such as a variance analysis, plausibility and consistency checks, ratio analysis, and comparison with forecasts.

Besides the monthly reporting analysis prepared by Group Controlling teams, the Executive Committee thoroughly reviews GBU performance every quarter in the context of business forecast reviews.

7.4. Information and communication

Group-wide information systems are managed by Solvay Business Services. A large majority of Group operations are supported by a small number of integrated ERP systems. Financial consolidation is supported by a dedicated tool.

All financial reporting procedures and internal controls ensure that all material information disclosed by Solvay to its investors, creditors, and regulators is accurate, transparent, and timely, and that it fairly represents the Group’s most relevant developments, financial fundamentals, and performance.
The Group Accounting and Reporting department circulates written detailed instructions to all financial actors involved before each quarterly closing.

The publication of the quarterly financial results is subject to various checks and validations carried out in advance:

- The Investor Relations team designs, develops, and issues messages and information about the Group with the needs of financial markets in mind. It does so under the supervision and control of the Executive Committee,
- The Audit Committee ensures that financial statements and communications by the Company and the Group, conform to generally accepted accounting principles (IFRS for the Group, Belgian accounting law for the Company),
- The Board of Directors approves the consolidated periodic financial statements and those of Solvay SA (quarterly – consolidated only, semiannual and annual) and all related communications.

7.5. Internal control monitoring
The Audit Committee is in charge of monitoring the effectiveness of internal control systems. It supervises the work of Internal Audit and Risk Management with regard to financial, operational, and compliance monitoring. It is kept informed of the scope, programs, and results of the internal audit work, and it verifies that audit recommendations are properly implemented. The role and responsibilities of the Audit Committee are further detailed in the Charter.

The content of internal audit assignments is planned and defined on the basis of a risk analysis; due diligence focuses on the areas perceived as having the highest risks. All the consolidated entities within the Group are inspected by Internal Audit at least every three years. Internal Audit recommendations are implemented by management.

Other entities carry out similar activities in very specific areas. For example:

- The Health Safety & Environment department carries out health, safety, and environmental audits,
- Solvay's Business Services Compliance and Risk Management department conducts information system audits, in coordination with Internal Audit,
- The Ethics and Compliance department coordinates investigations of potential Code of Conduct infringements.

8. EXTERNAL AUDIT
The audit of the Company’s financial situation, its financial statements, and the conformity of those statements – and the entries to be recorded in the financial statements in accordance with the Companies Code and the bylaws – are entrusted to one or more auditors appointed by the Shareholders’ Meeting from among the members, either natural or legal persons, of the Belgian Institute of Company Auditors.

The responsibilities and powers of the auditor(s) are set by law.

- The Shareholders’ Meeting sets the number of auditors and their emoluments in accordance with the law. Auditors are also entitled to reimbursement of their travel expenses for auditing the Company’s sites and administrative offices.
- The Shareholders’ Meeting may also appoint one or more alternate auditors. Auditors are appointed for three-year renewable terms, which may not be revoked by the Shareholders’ Meeting other than for good reason.

The Audit mandate of Deloitte, represented by Michel Denayer, was renewed at the Ordinary Shareholders’ Meeting of Tuesday, May 10, 2016, for a new term of three years (Shareholders’ meeting 2019). The Meeting also appointed Deloitte, represented by Corine Magnin, as alternate auditor for three years.

The yearly 2017 audit fees for Solvay SA were set at €1.2 million. They include the audit of the statutory and consolidated accounts of Solvay SA. Additional audit fees for Solvay affiliates in 2017 amount to €5.0 million. Supplementary non-audit fees of €1.8 million were paid in 2017 by Solvay affiliates and consisted of the following:

a. Invoiced by the statutory auditor of the Group:
   - Other assurance missions: €1.1 million,

b. Invoiced by other Deloitte entities:
   - Other assurance missions: €0.1 million,
   - Tax advisory and compliance: €0.35 million,
   - Other advisory missions: €0.25 million.
9. ITEMS TO BE DISCLOSED PURSUANT TO ARTICLE 34 OF THE BELGIAN ROYAL DECREE OF 14 NOVEMBER 2007

According to Article 34 of the Belgian Royal Decree of November 14, 2007, the Company hereby discloses the following items:

9.1. Capital structure and authorizations granted to the Board
As at December 21, 2015, the capital of the Company amounted to €1,588,146,240 represented by 105,876,416 ordinary shares with no par value, fully paid up.

All Solvay shares are entitled to the same rights. There are no different classes of shares.

9.2. Transfer of shares and shareholders’ arrangements
Solvay’s bylaws do not contain any restriction on the transfer of its shares.

The Company has been informed that certain individual shareholders who hold shares directly in Solvay have decided to consult one another when questions of particular strategic importance are submitted by the Board of Directors to the Shareholders’ Meeting. Each of these shareholders, however, remains free to vote as he or she chooses. None of these persons, either individually or in concert with others, reaches the initial 3% transparency notification threshold.

Solvay is not aware of any other voting agreements among its shareholders or of the existence of a concert between its shareholders.

9.3. Holders of securities with special control rights
There are no such securities.

9.4. Control mechanism of any employee share scheme where the control rights are not exercised directly by the employees
There is no employee share scheme with such a mechanism.

9.5. Restrictions on the exercise of voting rights
Each Solvay share entitles holders thereof to exercise one vote at Shareholders’ Meetings.

Article 11 of the Company’s bylaws provides that the exercise of voting rights and other rights attached to shares that are jointly owned, or of which the usufruct and bare ownership rights have been separated or are pledged, are suspended pending the appointment of a single representative to exercise the rights attached to the shares.

The voting rights attached to the shares in Solvay held by Solvay Stock Option Management are, as a matter of law, suspended.

9.6. Appointment, renewal, resignation and dismissal of directors
The bylaws of the Company provide that the Company is to be managed by a Board of Directors composed of no less than five members, their number being determined by the Shareholders’ Meeting (Article 14).

Directors are appointed by the Shareholders’ Meeting for four years (and may be reappointed).

The Board of Directors submits directors’ appointments, renewals, resignations or dismissals to the Ordinary Shareholders’ Meeting for approval. It also invites such Shareholders’ Meetings to vote on the independence of the directors fulfilling the related criteria, having first sought the advice of the Nominations Committee, whose mission is to define and assess the profile of any new candidate using its criteria for appointment and for specific competences.

The Ordinary Shareholders’ Meeting decides on proposals made by the Board of Directors in this matter by a simple majority.

If a directorship becomes vacant during a term of office, the Board of Directors may appoint a new member, subject to ratification by the next Ordinary Shareholders’ Meeting.
9.7. Amendment of Solvay’s bylaws
Amendments to the Company's bylaws must be submitted as a resolution to the Shareholders’ Meeting, at which at least 50% of the share capital or Solvay must be present or represented, and in principle must be passed by a 75% majority of the votes cast.

If the attendance quorum is not met at the first Extraordinary Shareholders’ Meeting, a second Shareholders’ Meeting may be convened and will decide without any attendance quorum requirement.

For certain other matters (e.g. amendment of the purpose of the Company), higher voting majorities may apply.

9.8. Powers of the Board of Directors, in particular to issue and buy back shares
9.8.1. Powers of the Board of Directors
The Board of Directors is the highest management body of the Company.

It is entrusted with all the powers that are not reserved, by law or under the bylaws, to the Shareholders’ Meeting.

The Board of Directors has kept responsibility for certain key areas for itself and has delegated the remainder of its powers to an Executive Committee (further detailed in the Charter).

In all matters for which it has exclusive responsibility, the Board of Directors works in close cooperation with the Executive Committee, which in particular is responsible for preparing most of the proposals for decisions by the Board of Directors.

9.8.2. The Board’s authorizations to issue and buy back shares
The Board of Directors was authorized, until December 31, 2016, to increase the registered capital by contributions in cash up to a maximum of €1.5 billion, of which a maximum amount of €1,270,516,995 will be allocated to the “capital” account and the remainder to the “issuance premium” account in the framework of the acquisition of Cytec Industries Inc. Said acquisition was completed on December 9, 2015, and in order to finance part of it, the Board of Directors proceeded with a share capital increase for an amount of €317,629,245 by issuing 21,175,283 new ordinary Solvay shares, with an issuance premium of €1,182,216,050. This special authorization is therefore no longer relevant.

The Shareholders’ Meeting has currently not authorized the Board of Directors to acquire or dispose of Solvay’s own shares.

9.9. Significant agreements or securities that may be impacted by a change of control of the company
The Ordinary Shareholders’ Meeting of May 10, 2016 approved the change of control provisions relating to the December 2015 euro-denominated senior and hybrid bonds and the USD-denominated senior notes issued to finance the acquisition of Cytec and the general corporate purposes of the Solvay Group.

9.10. Agreements between the Company and its directors or employees providing for compensation if directors resign or are good leavers, or in the case of a public takeover bid.
Not applicable