

Solvay

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SPECIAL REPORT BY THE BOARD OF DIRECTORS ON THE AWARD AND PURPOSE OF THE AUTHORIZED CAPITAL

drawn up in accordance with Article 604 of the Belgian Companies Code

Dear shareholders,

In accordance with Article 604 of the Belgian Companies Code, we are pleased to present to you our report on the proposal that will be made to the extraordinary shareholders' meeting which will be held on 23 October 2015 or, in case that the quorum of 50% of the shares present or represented at the meeting is not met, on 17 November 2015, to grant to the board of directors the authorization to increase the share capital of Solvay SA by contribution in cash for a maximum amount of EUR 1.5 billion, of which a maximum amount of EUR 1,270,516,995 will be allocated to the account "capital" and the remainder to the unavailable account "issuance premium", in the framework of the acquisition of Cytec Industries Inc. ("Cytec").

The board of directors proposes that this specific authorization be granted until 31 December 2016 (inclusive) and expires on the following day if, by that date, the board of directors has not made use of such authorization in full or in part, as the case may be for the amount that has not been used by the board of directors.

Any capital increase resolved upon on the basis of this authorization shall take place either with statutory or non-statutory preferential subscription right as set out below.

1 Purpose of the authorized capital

The board of directors proposes to the shareholders' meeting to grant it the authorization to increase the share capital of the company with a view to financing or refinancing the acquisition of Cytec.

On 29 July 2015, Solvay SA has entered into a definitive merger agreement to acquire Cytec, which is currently listed on the New York Stock Exchange, for USD 75.25 per share in cash. The total cash consideration amounts to USD 5.5 billion, corresponding to an enterprise value of USD 6.4 billion. The acquisition of Cytec, a major player in composite materials and the mining chemical business, marks a major step change in Solvay's portfolio upgrade.

Headquartered in New Jersey, USA, Cytec provides high-performance and value-added solutions, and is recognized by its customers as a successful innovator. In the fast-growing composite materials sector, which represents two thirds of its sales, its principal market is structures for aircrafts. It is also developing new technological applications for composites in automotive and furthermore it is the leader in tailored specialty chemical formulations to enhance mining separation processes.

Cytec generated sales of USD 2 billion and a 20% REBITDA margin in 2014, and has 4,600 employees across the globe. It sources almost half of its sales from North America, nearly a third from Europe, Middle-East and Africa and the remainder from Asia Pacific and Latin America.

Following the acquisition of Cytec the Solvay group will become the world's second biggest player in the industry of composite materials in the aerospace sector. This acquisition will underpin the growth of the Advanced Materials segment in the lightweighting sector and reinforce the Advanced Formulations sector by incorporating to it the world leader in the mining chemical business.

This acquisition will be structured as a cash merger subject to US law between Cytec and a US subsidiary of Solvay. The merger is subject to customary closing conditions, notably regulatory approvals and Cytec shareholders' approval. The transaction is expected to close in the fourth quarter of 2015.

The acquisition was unanimously recommended by the boards of directors of Cytec and Solvay SA.

A committed bridge financing has been arranged for the acquisition. Solvay SA intends to fund such acquisition with (i) a capital increase of approximately EUR 1.5 billion, including the issuance premium, (ii) the issue of hybrid bonds and other bonds . The intended financing structure will help Solvay SA maintain its financial flexibility and strengthen its capital structure.

The authorization requested from the shareholders' meeting relates to the contemplated capital increase by issuance of new shares. By virtue of this authorization, the board of directors will be able to use the authorized capital within the limits set out in this report, in order to proceed with such capital increase. Using authorized capital allows for increased flexibility in the preparation and launch of a capital increase and allows for a swift execution while accounting for potential fluctuations in the financial markets and opportunities that will arise in the interest of the company. This mechanism will also allow the board of directors to decide to increase the capital at the most appropriate time in light of the closing of the acquisition of Cytec. The proceeds of the capital increase that will be resolved upon and implemented by the board of directors in accordance with the requested authorization shall be exclusively used in the framework of the financing or refinancing of the acquisition of Cytec. To that end, the requested authorization will be granted to the board of directors until 31 December 2016 (inclusive).

2 Parameters of the authorized capital

The board of directors proposes that the extraordinary shareholders' meeting grants it authorization to (i) increase the share capital by contribution in cash for a maximum amount of EUR 1.5 billion, of which a maximum amount of EUR 1,270,516,995 (corresponding to the amount of the existing capital) will be allocated to the account "capital" and the remainder to the unavailable account "issuance premium", and (ii) to determine all the terms of the capital increase, the issuance of the shares and their placement.

The exact amount of the capital increase, the issue price and the number of new shares to be issued will be determined by the board of directors at the time of the decision to increase the capital, assisted by its financial advisers-banks, on the basis of usual factors, including the state of the financial markets at the time of the capital increase, within the limits of the authorization requested to the shareholders' meeting and by observing the corporate interest.

The total amount of the contributions in the framework of the capital increase (i) shall be allocated to the account "capital" for an amount equal to the number of new shares multiplied by the par value of the existing shares (i.e. EUR 15), and (ii) the remainder shall be allocated to the unavailable account "issuance premium". This account will constitute, as the capital, a guarantee to third parties and can only be cancelled or reduced by a decision of the shareholders' meeting taken in accordance with the conditions and formalities set out by the law and the articles of association for a capital decrease. The maximum amount that shall be allocated to the share capital corresponds to the maximum amount authorized by the Belgian Companies Code authorizing the doubling of the existing capital.

This authorization will take effect as from the date of publication in the Annexes to the Belgian State Gazette of an excerpt of the decision of the extraordinary shareholders' meeting resolving on the authorized capital and the corresponding change to the articles of association. The authorization shall be granted to the board of directors until 31 December 2016 (inclusive) and shall expire on the following day if, by that date, the board of directors has not made use of such authorization in full or in part, as the case may be for the amount that has not been used by the board of directors.

Any capital increase decided by the board of directors on the basis of the present authorization must take place either within the framework of the statutory preferential subscription right provided for by Article 596 of the Belgian Companies Code or with the cancellation of this statutory preferential subscription right but with the introduction of a non-statutory preferential subscription right. In any case, this statutory or non-statutory preferential subscription right could be exercised by all shareholders (or by the transferees of such preferential subscription rights) during a subscription period with subscription rights, subject to the application, or the compliance with, the restrictions in certain jurisdictions relating to public offers of securities or preferential subscriptions rights.

The main characteristic of the non-statutory preferential subscription right compared to the statutory preferential subscription right is that, in the framework of the non-statutory preferential subscription right, the subscription period can be shorter than the legal minimum of 15 calendar days. This allows for increased flexibility, it being understood that the board of directors will in any case ensure that a subscription period of a reasonable duration will be provided for in accordance with market practices. Furthermore, in case a

non-statutory preferential subscription right is being used, the terms of Article 596 of the Belgian Companies Code relating to the limitation or cancellation of the statutory preferential subscription right will be followed, namely the drawing up of a special report by the board of directors and a report by the auditor.

In accordance with Article 608 of the Belgian Companies Code, the annual report of the board of directors will contain a discussion of the capital increase carried out in the framework of the authorized capital.

As stated above, the proceeds of the capital increase shall be used by Solvay SA exclusively in the framework of the financing or refinancing of the acquisition of Cytec.

3 Corresponding amendment to the articles of association

In case the extraordinary shareholders' meeting grants to the board of directors the authorization described above, the articles of association will be modified by the inclusion of a new Article 7bis, which would read as follows:

"In the framework of the acquisition of Cytec industries Inc., the board of directors is authorized to (i) increase the registered capital by contributions in cash that amount to a maximum of EUR 1.5 billion, of which a maximum amount of EUR 1,270,516,995 will be allocated to the account "capital" and the remainder to the account "issuance premium", and (ii) determine all the terms of the capital increase, the issuance of the shares and their placement. This authorization is granted to the board of directors until 31 December 2016 (inclusive) and will expire on the following day if, by that date, the board of directors has not made use of such authorization in full or in part, as the case may be for the amount that has not been used by the board of directors. Any capital increase decided by the board of directors on the basis of this authorization must take place either with statutory preferential subscription right or non-statutory preferential subscription right."

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In view of the above, we propose that you grant the authorisation for the board of directors to increase the share capital within the conditions stated above.

22 September 2015.

For the board of directors,