



SOLVAY
Limited Liability Company
Headquarters – 310 rue de Ransbeek, 1120 Brussels
Brussels, RPM 403 091 220

Special report by the Board of Directors on the use and purpose of the authorized capital

**prepared in accordance with Article 7:199 of the
Belgian Companies and Associations Code**

Dear Shareholders,

In accordance with Article 7:199 of the Belgian Companies and Associations 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 April 3 2020, in case that the quorum of 50% of the shares present or represented at the meeting is not met, on 12 May 2020, to grant to the board of directors the authorization to increase the capital of Solvay SA ("**Solvay**") for general purposes by a maximum amount of EUR 158,000,000. Capital increases under this authorization can be made by incorporation of reserves, issue of subscription rights and convertible bonds and limitation or cancellation of preferential subscription rights, as the case may be in favour of one or more specific persons other than members of personnel.

The board of directors proposes that this authorization be granted for a period of five years as from the publication in the Annexes to the Belgian State Gazette of an extract of the resolution of the extraordinary shareholders' meeting approving this proposal.

1 Use and purpose of the authorized capital

1.1 Scope of the authorization to the board of directors

The authorized capital offers the ability to increase net assets quickly and efficiently, by reducing the formalities associated with a capital increase decided by the extraordinary shareholders' meeting. It allows for a swift execution while accounting for potential fluctuations in the financial markets and opportunities that will arise in the interest of Solvay.

The circumstances and objectives for the use of the authorized capital by the board of directors include the following potential objectives:

- to bring in fresh capital for Solvay or for one or more of its subsidiaries, either from all investors or on a specific market (issue in favour of unspecified persons), or from one or more specified persons (issue in favour of determined persons);
- to fund investment opportunities that are in line with the strategy of the Solvay group;
- to remunerate one or more contributions in kind;

- [to make it possible to pay a share dividend, if the board would elect to do so;]
- to reorganise the equity structure, amongst other things by incorporating reserves into the capital, with or without the free allocation of shares or by incorporating the issuance premium account;
- to incentivise all or some managers and staff of Solvay or the Solvay group;
- to cover commitments to be made by the board of directors in the context of any issue of financial instruments; and/or
- to cover any other circumstances or objectives which the board of directors may deem appropriate.

The board of directors confirms that any capital increase pursuant to the authorized capital will be in accordance with the corporate interest of Solvay, including its shareholders.

1.2 Operations excluded from the authorization to the board of directors

In accordance with the Belgian Companies and Associations Code, the board of directors may not use the authorized capital for the following operations:

- the issue of subscription rights reserved primarily for one or more specific persons other than members of personnel of Solvay;
- the issue of shares with multiple voting rights or of securities giving the right to issue or convert into shares with multiple voting rights;
- a capital increase to be carried out mainly through contributions in kind reserved exclusively for a shareholder of Solvay holding securities of Solvay to which more than 10% of the voting rights are attached; and
- the issue of a new class of securities.

In addition, as from the moment Solvay would receive notification from the FSMA that it has received a notice of a public takeover bid for the Solvay shares and until the bid is closed, the board of directors of Solvay may no longer (i) carry out a capital increase by contributions in kind or by contributions in cash by limiting or cancelling the preferential subscription right of the existing shareholders and (ii) issue securities, whether or not representing capital, conferring voting rights, as well as securities giving the right to subscribe for or acquire such securities, if such securities or rights are not offered in preference to the shareholders in proportion to the part of the capital represented by their shares¹.

Although it is possible for the shareholders' meeting to expressly authorize the board of directors to increase the capital of Solvay in such circumstances, such special authorization is not requested by the board of directors, so that it will not be able to use the authorized capital in the context of a public takeover bid¹.

2 Parameters of the authorized capital

The requested authorization aims to enable the board of directors to increase the capital of Solvay, in one or more transactions, with a maximum amount of EUR 158,000,000 plus issuance premium. Applied to an accounting par value of EUR 15, this enables the issuance

¹ However, this prohibition does not apply to commitments validly entered into before receipt of the above notification from the FSMA.

of up to 10,533,333 shares, representing approximately 10% of the total current capital of Solvay.

The board of directors further proposes that this authorization takes effect as from the date of publication in the Annexes to the Belgian State Gazette of an excerpt of the resolution of the extraordinary shareholders' meeting resolving on the authorized capital and the corresponding change to the articles of association and be granted for a period of five years as from such date.

This capital increase may be achieved, amongst other means, by contributions in cash, by contributions in kind, by incorporation, with or without the issue of new shares, of available or non-available reserves (including the issuance premium account), or by issuing subscription rights and convertible bonds, with or without limitation or cancellation of the preferential subscription right of the existing shareholders, including in favour of one or more specific persons other than members of personnel.

If it decides to limit or cancel the preferential subscription right of the existing shareholders, the board of directors will prepare a special report setting out the justification for its decision, the consequences of the decision on the financial and political rights of the shareholders and describing, if applicable, the identity of the specific persons in favour of whom the preferential subscription right of the existing shareholders has been limited or cancelled. The auditor of Solvay will also prepare a report in this respect.

In accordance with Article 7:203 of the Belgian Companies and Associations 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, together with, where applicable, an appropriate commentary on the conditions and effective consequences of capital increases or issues of convertible bonds or subscription rights in which the board of directors has limited or cancelled the preferential subscription rights.

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

February, 25 2020.

For the board of directors,

Director

Director