



(a société anonyme incorporated in Belgium)

## **Euro 300,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.25 Bonds (the “Bonds”)**

**Issue Price: 100 per cent.**

This document constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and the Luxembourg law of 10 July 2005 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended (the “**Luxembourg Prospectus Law**”). This prospectus contains information relating to the issue by Solvay SA (the “**Issuer**”) of the Bonds and must be read in conjunction with the documents incorporated by reference herein. Together, this prospectus and the information incorporated by reference herein constitute a prospectus (the “**Prospectus**”) in connection with the issue of the Bonds, prepared for the purposes of Article 5.1 of the Prospectus Directive and Article 8(1) of the Luxembourg Prospectus Law.

The Bonds will bear interest (i) at the fixed rate of 4.250 per cent. per annum from (and including) 4 December 2018 (the “**Issue Date**”) to (but excluding) 4 March 2024, payable annually in arrear on 4 March in each year and (ii) thereafter at a rate equal to the mid swap rate for 5-Year Euro Mid Swaps plus the relevant Margin payable annually (each such term as defined in “*Terms and Conditions of the Bonds — Definitions*”).

The Issuer may, at its option, elect not to pay interest in respect of the Bonds, in which case any such interest shall be deferred and constitute “**Outstanding Amounts**”. Outstanding Amounts will bear interest at the rate of interest then applicable to the Bonds. Outstanding Amounts and interest accrued thereon shall be payable upon the occurrence of an Outstanding Amount Payment Event (as such term is defined in “*Terms and Conditions of the Bonds — Definitions*”) or if the Issuer so decides.

The principal and interest on the Bonds will constitute direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank, in the event of Winding-Up of the Issuer, and subject to any obligations mandatorily preferred by law, (i) *pari passu* among themselves and *pari passu* with all other present and future Obligations of the Issuer under any Parity Securities of the Issuer, (ii) senior to any Obligations of the Issuer under any Junior Securities and any classes of Share Capital Securities issued by the Issuer and (iii) junior to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer (each such term as defined in “*Terms and Conditions of the Bonds — Definitions*”).

The Bonds may be redeemed (in whole but not in part) on any date during the period commencing on (and including) 4 December 2023 (being the date falling three months prior to the First Reset Date) and ending on (and including) the First Reset Date, and on any Interest Payment Date thereafter (each such term as defined in “*Terms and Conditions of the Bonds — Definitions*”), at the option of the Issuer. The Issuer will also have the right to redeem the Bonds (in whole but not in part) for certain tax reasons, upon a Rating Methodology Event or upon an Accounting Event. Upon the Winding-Up of the Issuer, other than a voluntary dissolution in the context of solvent reorganization whereby the surviving entity assumes all obligations of the Issuer, the Bonds will become immediately due and payable in accordance with the Terms and Conditions of the Bonds. The Issuer will also have the right to exchange or vary the Bonds for certain tax reasons, upon a Rating Methodology Event, upon an Accounting Event or upon a Tax Deductibility Exchange and Variation Event (each such term as defined in “*Terms and Conditions of the Bonds — Definitions*”).

Application has been made to the *Commission de Surveillance du Secteur Financier in Luxembourg* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of the Prospectus Directive and the Luxembourg Prospectus Law, for the approval of this Prospectus as a Prospectus for the purposes of Article 5.3 of the Prospectus Directive and of the Luxembourg Prospectus Law. By approving this Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction contemplated by this Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Prospectus Law.

Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange’s Regulated Market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange’s Regulated Market is a regulated market for the purposes of the Market and Financial Instruments Directive 2014/65/EU, as amended (“**MiFID II**”) appearing on the list of regulated markets issued by the European Commission (the “**Regulated Market**”). References in this document to the Luxembourg Stock Exchange (the “**Luxembourg Stock Exchange**”) and all related references shall include the Regulated Market.

The Bonds will be in dematerialized form (*gedematerialiseerd/dématérialisé*) in accordance with the Belgian Companies Code (*Wetboek van Vennootschappen/Code des Sociétés*) (the “**Belgian Companies Code**”) and cannot be physically delivered. The Bonds will be in the denomination of Euro 100,000 each and may only be settled in principal amounts equal to such denomination or integral multiples thereof. The Bonds will be represented exclusively by book-entries in the records of the securities settlement system operated by the National Bank of Belgium (the “**NBB**”) or any successor thereto (the “**Securities Settlement System**”). Access to the Securities Settlement System is available through those of its Securities Settlement System participants whose membership extends to securities such as the Bonds. Securities Settlement System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking Frankfurt (“**Clearstream**”). Accordingly, the Bonds will be eligible for clearance through and will therefore be accepted by Euroclear and Clearstream. Investors, who are not Securities Settlement System participants, can hold their Bonds within securities accounts in Euroclear and Clearstream or the other direct or indirect participants of the Securities Settlement System.

**The Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System. The Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any consumer (consument/consommateur) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*).**

The Bonds are expected to be assigned a rating of Ba1 by Moody’s Deutschland GmbH (“**Moody’s**”) and a rating of BB+ by S&P Global Ratings Europe Limited (“**S&P**”). Each of Moody’s and S&P is established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended). Moody’s and S&P are displayed on the latest update of the list of registered credit rating agencies on the ESMA website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Prospectus dated 30 November 2018

**Structuring Agents to the Issuer**

**HSBC**

**J.P. MORGAN**

**Joint Global Coordinators**

**HSBC**

**J.P. MORGAN**

**Joint Bookrunners**

**HSBC**

**J.P. MORGAN**

**BOFA MERRILL LYNCH**

**CRÉDIT AGRICOLE CIB**

**CRÉDIT SUISSE**

**ING**

**MUFG**

## IMPORTANT INFORMATION

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer and the Bonds which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference and form part of this Prospectus. The information on websites that is not incorporated by reference in this Prospectus (see “*Documents Incorporated by Reference*”) and that is referred to in this Prospectus is for information purposes only and does not form part of the Prospectus.

The Issuer has confirmed to the Managers named under “*Subscription and Sale*” below (the “**Managers**”) that this Prospectus contains all information regarding the Issuer and the Bonds which is (in the context of the issue of the Bonds) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on behalf of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorized the making or provision of any representation or information regarding the Issuer or the Bonds other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorized by the Issuer or the Managers.

Neither the Managers nor any of their respective affiliates have authorized the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

This Prospectus does not constitute an offer of Bonds, and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Bonds or the distribution of this Prospectus in any jurisdiction where any such action is required except as specified herein.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Bonds.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Bonds.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds, how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds and be familiar with the behavior of the financial markets and of any financial variable which might have an impact on the return on the Bonds; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The distribution of this Prospectus and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of this Prospectus and other offering material relating to the Bonds, see “*Subscription and Sale*”.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and the Bonds are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). A further description of the restrictions on offers and sales of the Bonds in the United States or to, or for the benefit of, U.S. persons, and in certain other jurisdictions, is set forth below under “*Subscription and Sale*”.

The Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System.

**PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive 2002/92/EC (as amended) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been

prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO CONSUMERS** – The Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*).

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by ESMA dated 5 February 2018, has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “**Distributor**”) should take into consideration the manufacturers’ target market assessment. However, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**BENCHMARK REGULATION** – The Euro Interbank Offered Rate (“**EURIBOR**”) is used for purposes of determining the 5-Year Euro Mid-Swaps in order to calculate the Reset Rate of Interest on the Bonds. EURIBOR is provided by the European Money Markets Institute (“**EMMI**”) and the 5-Year Euro Mid-Swaps is provided by ICE Benchmark Administration Limited (“**ICE**”). As at the date of this Prospectus, EMMI does not appear, but ICE does appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply such that EMMI is not currently required to obtain authorisation or registration.

All references in this Prospectus to (i) “euro” or “€” are to the common currency of the European Union, (ii) “U.S. dollar”, “\$”, “USD” or “US\$” are to the currency of the United States, (iii) “RMB” are to the currency of China, (iv) “CAD” are to the currency of Canada, (v) “real” are to the currency of Brazil and (vi) “GBP” (pounds sterling) are to the currency of the United Kingdom.

## **FORWARD LOOKING STATEMENTS**

This Prospectus (including the information incorporated by reference into this Prospectus) may contain statements that are, or may be deemed to be, “forward looking statements” that are prospective in nature. All statements other than statements of historical fact are forward looking statements. They are based on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward looking statements. Although the Issuer believes that these forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to the Issuer.

Often, but not always, forward looking statements can be identified by the use of forward looking words such as “plans”, “expects”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “targets”, “aims”, “projects” or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward

looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Group's operations; and (iii) the effects of global economic conditions on the Group's business.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Forward-looking statements refer only to the date when they were made and neither the Issuer nor the Managers undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future events or any other factors. Given these uncertainties, potential investors should only rely to a reasonable extent on such forward-looking statements in making decisions regarding investment in the Bonds.

### **RESPONSIBILITY STATEMENT**

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Solvay SA**  
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B-1120 Brussels  
Belgium

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## RISK FACTORS

*The following is a description of risk factors which are material in respect of the Bonds and the financial situation of the Issuer and which may affect the Issuer's ability to fulfil its obligations under the Bonds and which prospective investors should consider carefully before deciding to purchase the Bonds. The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. Prospective investors should read and consider all of the information provided in this Prospectus or incorporated by reference in this Prospectus and should make their own independent evaluations of all risk factors and consult with their own professional advisers if they consider it necessary.*

*Terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used below.*

### **Risks relating to the Issuer, the Group and its business**

#### ***Solvay operates in competitive and constantly evolving international markets.***

Solvay operates in 61 countries and markets its products worldwide. It produces and sells a broad range of products and competes on the basis of product quality, price, technology and customer service. While the degree of Solvay's exposure to competition varies significantly among products and geographies, Solvay faces intense competition in certain markets. The competitive pressure on Solvay and its products in some segments is characterized by strong price competition, which is sometimes caused by overcapacity, and certain low-cost producers. These competitive pressures may be increased by consolidation among Solvay's competitors or customers. Solvay's main competitors vary by product, from large international groups to smaller regional or local players.

The emergence of new products and new technologies developed by Solvay's competitors may affect Solvay's competitive position in these markets. For example there may be technological advances leading to the development of substitute products or more competitive manufacturing processes, which Solvay has not foreseen or not implemented in a timely manner. Moreover, the lack of success of a new product, new entrants in a market, a reduction in demand by key customers, a change in regulation affecting a product or generally increased levels of competition in the chemical industry could result in lower prices or lower sales volume for Solvay, which could have a material adverse effect on Solvay's business, financial condition and results of operations.

#### ***Solvay is subject to risks related to its international operations.***

With operations worldwide, including in emerging markets, Solvay's business and results of operations are subject to various risks inherent in international operations. These risks include:

- instability of foreign economies and governments, which can cause investment in capital projects to no longer be profitable and can reduce or eliminate the viability of some markets for Solvay's products;
- risks of war, terrorism, riots and uprisings, which can make it unsafe to continue operations, adversely affect budgets and schedules and expose Solvay to losses;
- seizure, expropriation, nationalization or detention of assets, or renegotiation or nullification of existing contracts;
- foreign exchange restrictions, import/export quotas, sanctions and other laws and policies affecting taxation, trade and investment; and
- availability of suitable personnel and equipment, which can be affected by government policy, or changes in policy, that limit the importation of qualified employees or specialized equipment in areas where local resources are insufficient.



Solvay is exposed to these risks in all of its international operations to some degree, particularly in emerging markets where the political and legal environment is less stable. Solvay is subject to the risk of adverse developments with respect to certain international operations and any insurance coverage it has may not be adequate to compensate it for any losses arising from such risks.

Activities in certain foreign countries may require prior government approval in the form of an export license and may otherwise be subject to tariffs and import/export restrictions. These laws can change over time and may result in limitations on Solvay's ability to compete globally. Solvay has procedures in place to conduct these operations in compliance with applicable laws. However, failure to comply with laws on equipment and product exports could result in material fines and penalties, damage Solvay's reputation, and negatively affect the market price of Solvay's securities.

Solvay, and certain of its subsidiaries and affiliated entities in the Group, conduct business in countries where there is government corruption. Solvay is committed to doing business in accordance with all applicable laws and the "Solvay Way", the Group's code of conduct, but there is a risk that Solvay or any member of the Group may act in violations of such codes or applicable law, including anti-corruption or anti-bribery law, which could result in substantial civil and criminal penalties and could materially adversely affect Solvay's business, financial condition, results of operations or reputation.

***The specialty chemicals industry is subject to volatile global economic conditions, market uncertainties and local and regional economic conditions.***

General economic conditions affect the specialty chemicals industry, including the aeronautics and automotive, consumer goods, healthcare, agriculture, food, energy, construction and electronics industry segments in which the Group operates. Deteriorating economic conditions, negative perceptions about economic conditions or a negative or uncertain economic outlook could result in a substantial decrease in demand for the Group's products and negatively impact capacity utilization, selling prices and sales volumes and the Group's profit margins. Due to the Group's significant fixed cost base, a decrease in revenues tends to have a greater impact on the Group's profitability. For example, the global economic and financial crisis in 2008 and 2009 had a significant negative impact on the Group's business and results of operations. If GDP declines, the Group typically experiences a greater decline in sales. The economic environment may be negatively affected by volatile financial markets, rising interest rates, international or regional conflicts, trade conflicts, political instability or unrest, epidemics, terrorism, natural disasters or other events.

In addition, market uncertainty or an economic downturn in certain geographic areas or in key customer industries could reduce demand for Solvay's products and result in decreased sales volume. The timing and magnitude of fluctuations are difficult to predict and may depend on factors that are outside of the Group's control, such as the general economic situation, activities of competitors, international circumstances and events and changes in regulations in Europe, the United States, China and other countries. These fluctuations have in the past had, and may in the future have, a material adverse effect on Solvay's business, financial condition and results of operations.

The Group's results of operations are substantially dependent on regional economic conditions in the four regions where Solvay operates: Europe, North America, Latin America, and Asia and the rest of the world. Many of Solvay's GBUs are local or regional in nature, exacerbating the effects of regional economic changes. As a result, Solvay's results of operations are dependent on regional economic conditions, especially in certain developing countries that are generally more volatile than developed markets. Some products, such as peroxides, are subject to local price dynamics notwithstanding Solvay's presence in multiple regions because they are not easily or economically transported to non-local markets. Any downturn in the local or regional economies of such markets could have a significant effect on the prospects of any local or regional business line.

In Europe, concerns regarding sovereign debt, in particular of Greece, have resulted in the European Central Bank taking measures in an effort to boost growth and reduce the risk of deflation. The circumstances surrounding Eurozone members with high debt-to-GDP levels may negatively impact growth in the Eurozone. The proposed exit of the United Kingdom from the European Union creates uncertainty and may impact GDP growth in the United Kingdom and/or the European Union. Factors affecting economic conditions in other geographic areas such as Russia, the Ukraine, the Middle East, and Brazil may also have a material impact on the Group.

In Asia and the rest of the world, major emerging economies have shown volatility in recent months. Given the Group's investment in the region, factors such as the gradual slowdown in Chinese GDP growth, the increases in United States and Chinese trade tariffs and general decline in growth compared to previous decades could have a noticeable impact on Group sales. Weaker growth in China could have adverse effects on growth in emerging economies and entail a contagion effect across the globe.

In North America, monetary policy has continued to support GDP growth. Any changes to the current monetary policy in the United States could negatively affect GDP growth prospects.

In Latin America, declines in the price of oil and other commodities have negatively affected growth in large economies such as Brazil and Mexico, and these and other factors may have a significant impact on growth throughout the region.

Uncertain global economic factors and changes in GDP growth in key countries make it difficult for the Company to forecast demand trends for its products and its profitability. It can be difficult to accurately predict the development of factors affecting the industry segments, and negative developments could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***Solvay is dependent on energy and raw materials, which are subject to price variations, and which could affect profitability and margins.***

Solvay's manufacturing processes consume significant amounts of energy and raw materials, the costs of which are subject to worldwide supply and demand pressures, as well as other factors beyond its control.

Significant variations in the cost of energy, for example, primarily reflect market prices for oil and natural gas. The prices for these inputs can vary significantly from one period to the next. Sustained high energy prices increase Solvay's production costs and cost of goods sold and, if increased prices cannot be passed through to customers rapidly or at all, can reduce Solvay's net income.

Petrochemical products derived from crude oil or natural gas account for a significant portion of Solvay's raw materials and Solvay is therefore directly exposed to the volatility of oil and natural gas prices. Solvay is therefore indirectly exposed to the volatility of oil prices through changes in the price of benzene. When possible, Solvay purchases raw materials through negotiated long-term contracts to minimize the impact of price fluctuations and enters into over-the-counter and exchange-traded derivative commodity instruments to hedge exposure to price fluctuations on certain raw material purchases.

Solvay takes actions to offset the effects of higher energy and raw material costs through price increases, productivity improvements and cost reduction programs. Solvay's ability to maintain its operating margins depends on its ability to pass on increases in the cost of raw materials through price increases. However, Solvay's success in offsetting higher raw material costs with price increases is subject to competitive and economic conditions and could vary significantly depending on the market served.

Solvay is also subject to the risk that it may be unable to acquire certain of its raw materials on a timely basis, on acceptable price and other terms, or at all. If Solvay is unable to obtain adequate and punctual deliveries of required raw materials, it may be unable to manufacture sufficient quantities of its products in a timely manner

(especially those products requiring long lead times or which involve complex manufacturing processes), which could cause Solvay to lose customers, incur additional costs, delay new product introductions or suffer harm to its reputation.

In addition, the availability and prices of raw materials may be negatively affected by, among other factors:

- new laws or regulations;
- suppliers' allocations to other purchasers;
- business continuity of suppliers;
- interruptions in production by suppliers;
- accidents or other similar events at suppliers' premises or along the supply chain;
- wars, natural disasters and other similar events;
- fluctuations in exchange rates; and
- the bargaining power of raw material suppliers and the availability and cost of transportation.

Any prolonged interruption in the supply of raw materials, or increases in raw material costs that cannot be passed on to customers, could adversely affect Solvay's business, financial condition and results of operations.

***Some of the industries Solvay serves, such as the oil and gas industry, are cyclical and can experience substantial downturns, leading to cyclical over-capacity and reduced demand.***

Some industries that Solvay serves are cyclical, highly volatile and have experienced substantial downturns, such as the auto industry, oil and gas industry and the building industry. These cycles can result in large variability in the prices of and demand for Solvay's products, exposing Solvay to periods of surplus production capacity, price or volume declines and reduced margins. The oil and gas industry is particularly cyclical and a decrease in oil and gas prices and reduced demand for exploration may adversely affect demand and prices for certain of Solvay's products used in drilling and oilfield service, which could affect profitability.

Customers of chemical companies typically adapt procurement activities to the expected growth rates of their business. In a downturn, such as the global financial crisis beginning in 2008, customers generally try to reduce their working capital and inventories, while in a recovery customers increase inventories, leading to increased demand for specialty chemical products. These de-stocking and re-stocking activities amplify the effect of changes in actual growth rates and cause increased cyclicity in the demand for Solvay's products.

***Solvay may be unable to successfully execute its business strategy***

Solvay's business strategy seeks, among other goals, to further strengthen Solvay's capabilities and resources in targeted investment areas, consolidate its positions in markets identified as having high potential for sustainable growth, and invest selectively to strengthen its offerings. The achievement of this strategy is dependent upon many factors, some of which are beyond Solvay's control. Any inability to complete the strategy could have a material adverse effect on Solvay's business and financial strategy going forward.

Certain aspects of Solvay's growth and excellence plans may not be realized, and the financial benefit of these initiatives may be less than expected.

Solvay's consistent cash-generating businesses may fail to perform as expected. Solvay may also not be able to realize cash-generating investments. Any such change in current expectations of cash-generating ability will limit Solvay's ability to invest in its strategic growth engine businesses, which would materially adversely affect Solvay's ability to achieve its plans.

Solvay's future performance may also depend on its ability to manage the growth of its operations. There is no guarantee that Solvay will be able to manage its growth successfully or that such growth will not interfere with its existing structure. If Solvay is unable to manage its growth in a satisfactory manner, Solvay may lose market position, which could have a material adverse effect on its business, results of operations and financial condition.

***Solvay faces legal risks in securing and defending its ownership of new discoveries and processes.***

The Group is exposed to legal risk, particularly in the areas of contractual obligations, patent infringement, and protection of Solvay's intellectual property. The Group's operations and growth depend on the capacity to innovate and control key technologies, including defending against patent claims and making all efforts to protect Solvay's intellectual property.

In the chemical industry, technological know-how may not always be patentable, and may constitute trade secrets. Solvay implements specific policies and continuously invests in protecting its industrial processes, technological know-how and proprietary information. Such precautions may limit Solvay's choice of partners in research and innovation ("R&I"), may limit its choice of locations for research facilities and ultimately, may limit its return on certain innovations.

Important Group businesses are run as joint arrangements, including joint operations and joint ventures. In choosing joint arrangements, Solvay agrees to share certain of its technological know-how and, particularly in countries with comparatively less stringent intellectual property protection, these partners may use this technology and know-how for their own purposes outside the scope of the relevant project. Non-competition undertakings in joint venture agreements may prevent the Group from rendering services or producing, marketing and distributing the relevant products for its own account in certain markets. Further, illegal or unethical activities by the joint venture partner may have negative consequences for the Group's reputation and may result in legal disputes, fines or other adverse consequences.

In the course of pursuing any of these means of protecting Solvay's intellectual property or defending against any lawsuits filed against Solvay, Solvay could incur significant costs and diversion of its resources and its management's attention. Due to the competitive nature of Solvay's industry, it is unlikely that Solvay could increase its prices to cover such costs. In addition, such claims against Solvay could result in significant penalties or injunctions that could prevent Solvay from selling some of its products in certain markets or result in settlements or judgments that require payment of significant royalties or damages. The Group may need to accrue provisions due to ongoing legal or regulatory disputes, including with respect to intellectual property.

If Solvay cannot protect its own innovations or if it is barred from using certain technologies deemed to belong to others, it could have a material adverse effect on Solvay's business, financial condition and results of operations.

***Some of the end-markets for Solvay's products are characterized by a small number of major customers, and financial difficulties of such customers may adversely affect Solvay.***

Some markets in which Solvay offers its products are characterized by a small number of major customers. Moreover, Solvay's other markets, which currently have a diverse and balanced customer base, may change, for example as a result of consolidation among its customers. In the future, customers in consolidated markets or customers in other industries where there are currently consolidation trends, such as in the automotive or cosmetics markets, could use their power to exert pressure on Solvay's prices and margins. Client consolidation can therefore have a material adverse effect on the Group's business, financial condition and results of operations.

As a result of a further slowdown in relevant economies or a recession, an increasing number of Solvay's customers and other business partners could experience financial difficulties, including insolvency, bankruptcy,

restructuring or liquidation, which could have a material adverse effect on Solvay's business by reducing its sales, increasing the risk of extending trade credit to customers, and reducing its profitability.

***Failure to innovate, or delays in development, may lead to Solvay's products or technologies becoming superseded and could affect important customer relationships.***

The Group spends significant amounts on research and development and depends on its development of new, improved, or more cost-effective materials, methods, and technologies. An important component of its strategy is to innovate continuously in a sustainable manner to prepare tailor-made solutions for customers. Any failure to successfully develop new products, methods or technologies, or delays in development, may lead to the Group's products or technologies becoming superseded, could result in impairments and could reduce the Group's future sales.

The Group depends on its continued ability to develop new, improved, or more cost-effective materials, methods, technologies, and to then successfully commercialize and distribute new products. The trend towards commoditization and standardization in some of the Group's markets has increased the importance of research and development in supporting overall margins and the importance of other tailor-made and high-end markets that the Group markets supply, in which the Group must offer ever more specialized products that are intended to offer higher value to customers in order to achieve satisfactory margins. The Group may not successfully expand or improve its product portfolio or may lack the capacity to invest the required level of human or financial resources in the development of new products.

In addition, although the Group seeks to maintain close and cooperative relationships with its customers, its relationships could deteriorate in the future. Any such deterioration would make it more difficult for the Group to identify customer needs and to develop customized solutions and execute its customer intimacy model, which is highly dependent on rapid delivery of technical advances.

***The Group may fail to predict technological trends or customer demand, resulting in lower than expected profitability relative to capital expenditure.***

The Group spends extensively on research and development, and without successful research and development activities, the Group may lose a significant portion of its sales.

To support innovation, determinations of capital expenditure are made in a forward-looking manner according to current understanding of trends and customer demand. The Group may commit errors or misjudgments in its planning and misallocate resources, for instance, by developing products that require large investments in research and development and capital expenditure but that are not commercially viable. Any failure to realize the benefits anticipated from capital-intensive projects could cause a material adverse effect on Group business, financial condition and results of operations.

In addition, such investment may become non-viable, or may be superseded prior to completion. For example, competitors may develop new types of materials or technologies with favorable characteristics, especially for regulatory purposes, or may improve on existing products and technologies. In addition, the market for a newly developed product may unexpectedly cease to exist. Further, technological developments or improvements in processes may permit competitors to offer products at lower prices than the Group. For example, if the Group's competitors develop more innovative and economically efficient production processes, the value of the Group's proprietary production processes, and investment therein, could be significantly reduced.

The materialization of any of these risks could have a material adverse effect on the Group's business, financial condition, and results of operations.

***Solvay has firm commitments to certain suppliers and clients.***

Certain contracts entered into with Solvay's suppliers or customers may entail obligations to purchase a minimum product volume (known as "take or pay" clauses) or firm commitments for the delivery of certain quantities of products within certain time periods. The failure to perform under these purchase or sale contracts could result in the payment of indemnities to Solvay's customers or suppliers. This risk is all the more important during an economic crisis in the event of a sharp drop in demand for Solvay's products or sharp increase in Solvay's need for certain supplies to fulfill client contracts. This mismatch between economic conditions and Solvay's firm commitments to purchase or sell could materially adversely affect Solvay's business, financial condition and results of operations.

***Solvay faces political risks and physical security risks in its facilities.***

Solvay has facilities in countries around the world, including in developing countries. Solvay's facilities, personnel and customers are therefore exposed to potential circumstances resulting from disruptions in the normal exercise of public authority. This could be the consequence of a social crisis, political instability, civil war, nationalization, terrorist activities, natural disasters or similar events in countries where the Group operates or sells products. Such disruptions may result in delay of or failure to deliver products. In addition, Solvay's production facilities, research centers, product shipments or employees could be affected by industrial accidents, chemicals spills, shortages of raw materials, power failures, transport interruptions or other logistical issues resulting from such events.

Public and political attention continues to be placed on protecting critical infrastructure, including chemical plants, from security threats. Terrorist attacks and natural disasters have increased concern about the physical security and safety of chemical production and distribution. The risk inherent to climate change could also cause increased frequency and intensity of climatic events such as hurricanes, tsunamis and typhoons, floods, and water shortages, which could affect some production sites. Many industry groups and national authorities continue to elaborate rules and standards to ensure safe production and transport of chemicals.

If such political and physical security risks were to materialize in regions where Solvay operates, Solvay could be forced to make a substantial investment in order to react to such threats, including evacuating and securing sites or continuing operations under heightened security precautions. Facilities in affected regions may not be able to obtain transportation, raw materials, sufficient water or power supply. Reacting to such conditions could be expensive and time consuming, which could have a material adverse effect on Solvay's business, financial condition and results of operations.

***Solvay faces risks related to workplace safety.***

Failure to respect safety protocols may lead to injuries to Solvay employees or third-party contractors on Solvay's sites. Workplace injuries may result from various industrial accidents, including: working with dangerous heavy equipment; contact with hot, corrosive or toxic chemicals; accidents caused by leaking vessels, pumps or pipes; as well as explosions, falling objects or falls from scaffolding or silos. Workplace accidents may also cause injury to neighboring industrial sites or to the public at large, especially in the context of major releases of chemical substances or transport accidents. In addition to risks related to industrial transformation of chemical products, Solvay also owns several mines and quarries for the extraction of fluor, trona, limestone, salt and celestite and is therefore exposed to mining accidents. Occupational hazards for Solvay's employees and contractors include chronic diseases resulting from exposure to various chemicals and building materials: in the case of certain diseases, a long period of latency may separate the date of exposure from the diagnosis of symptomatic health effects, as is the case for exposures to asbestos and endocrine disrupting chemicals. This may make it difficult to accurately measure the human and financial impacts of such events.

Solvay facilities must comply with different workplace requirements and various safety management regulations in jurisdictions around the world; Solvay may face fines or administrative action if it does not comply with such standards.

Significant workplace accidents or breaches of workplace safety policies and real or alleged unfavorable outcomes may harm Solvay's reputation with its different stakeholders. Such events could also result in loss or life, environmental clean-up costs, lawsuits, fines, administrative penalties or other outcomes, which could have a material adverse effect on Solvay's business, financial condition and results of operations.

***Solvay is subject to continually evolving environmental and health and safety laws and regulations.***

Solvay's activities must comply with a set of continually changing environmental, health and safety laws and regulations at the local, national and international level. These regulations impose increasingly stringent restrictions concerning air, water and soil pollution; the use, handling, storage and disposal of hazardous materials; and the clean-up of environmental contamination. In particular, Solvay's industrial activities require prior permits or licenses in most countries in which Solvay operates. Special, more stringent regulations often apply to certain products with radioactive or biocidal properties as well as those used in cosmetics, pharmaceuticals, food or animal feed. Complying with these regulations involves significant and recurring costs for Solvay.

Environmental liability and the "polluter pays" principle are increasingly embedded in environmental legislation aimed at preventing and remedying environmental damage. Several Solvay sites in Europe are governed by Seveso II Regulations concerning high-risk installations. Moreover, Solvay could be held liable, under certain laws, to contribute to the expenses for remedial measures undertaken at sites or installations (operated by Solvay or belonging to third parties) on which Solvay stored or disposed of waste. Solvay also participates in certain cap and trade system covering greenhouse gas emissions. While Solvay may benefit from such cap and trade systems, changing regulations could also have the effect of increasing costs or reducing, or eliminating, previous benefits.

All substances manufactured or used by Solvay in Europe require registration under the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") regulation, such as sodium carbonate, hydrogen peroxide, adipic acid or hexamethylenediamine. The REACH regulation imposes several requirements on chemical users and producers including the registration of various chemical substances in accordance with a schedule set out in the regulation. Solvay has incurred substantial costs in implementing the REACH regulation in Europe.

In Europe, environmental damage to land, water, natural habitats and protected species is governed by an umbrella directive, the European Liability Directive ("ELD"), which may lead to increased remediation costs. Such legislation contains a broad scope of soil-remediation requirements, including requirements for primary remediation, complementary remediation and compensatory remediation. Like most other industrial companies, Solvay must manage and remediate historical soil contamination at some sites. To manage soil and groundwater environmental legacies, hydrogeological studies and soil characterizations must be conducted to diagnose potential problems, evaluate risks to aquifers and discuss relevant remediation or confinement actions with authorities.

Solvay may inadvertently exceed permitted emission levels under applicable regulations or schemes, which may lead to administrative or criminal sanctions, the cancellation of permits or operating licenses and adverse outcomes in litigation. Solvay could also incur significant compliance expenses in the event that new regulations or governmental policies are enacted or if the courts or competent authorities re-interpret or begin to apply current regulations more strictly. Any spills, releases, contaminations, emissions or other environmental damage related to Solvay's business could give rise to compliance costs, fines, remediation costs or damage awards.

These events could have a material adverse effect on Solvay's business, financial condition and results of operations.

***Solvay faces other regulatory risks related to producing, distributing and selling its products.***

Solvay is exposed to regulatory risks from the introduction of new legislation or changes in existing regulations, such as product bans, and regulations that impose new standards of manufacturing, marketing or use. Certain industries are subject to increasingly strict regulation and governmental intervention. Such regulatory changes may also involve changes in price regulations, taxation, or tariff policies designed to affect the markets in which Solvay operates. The Group is also subject to competition laws that prohibit certain agreements between chemical producers or that regulate issues such as abuse of dominant position or improper distributor relationship management. It is also bound by anti-corruption rules, such as the Foreign Corrupt Practices Act in the United States. Sanctions regimes may have a material impact on the ability of Solvay to operate in certain countries, and Solvay products may be introduced by third parties into sanctioned countries. Cost increases, fines, legal fees or business interruptions can result from both new regulations, and from new interpretations by courts or stricter enforcement practices by regulatory authorities of existing regulations. Such changes in regulation may render it economically infeasible to continue producing or marketing a product.

Solvay's growth depends on innovations in the form of new products, new processes and new uses for existing chemical agents, which sometimes requires Solvay to expand its production capacity through new facilities. Solvay must obtain and maintain regulatory approval from authorities in many different countries in order to operate its production facilities and sell its products all over the world. Solvay may fail to obtain necessary approvals or authorizations and, if obtained, such approvals or authorizations may be withdrawn at any time. The Group is required to design and test all processes and products to ensure compliance with applicable standards and may be required to incur costs to upgrade facilities to comply with new standards. In addition, new costs may arise from audit, certification and self-assessment standards required to maintain compliance with existing regulations. Failure to comply with such standards and regulations may have a material adverse effect on Solvay's business, financial condition and results of operations.

Violations of applicable regulations, failure to comply with mandatory standards or any denial or revocation of an operating license could result in fines, penalties or injunctions that could prevent Solvay from operating its facilities in the relevant markets, which could have a material adverse effect on Solvay's business, financial condition and results of operations.

***Solvay's complex international operating structure presents additional challenges to maintaining effective controls and internal compliance.***

The Group is a large, diversified group comprised of a large number of companies around the world of varying size. As a result, the Group's structure is complex, with multiple layers of holding companies below the ultimate parent company, Solvay SA, and numerous subsidiaries and finance companies in many countries. Although the Group has integrated management, legal and compliance departments and an approach based on local responsibility for production, marketing and personnel in accordance with Group-wide management standards and administrative procedures under the global leadership of Solvay SA, the size, geographical reach and complexity of the Group's structure create the risk of inefficiencies that may adversely affect the business, financial condition, and results of operations of the Group.

In addition, it is difficult to ensure that Group-wide management standards, including risk control and compliance policies, will always be fully and consistently applied throughout the organization (see Risk factor "Several of Solvay's businesses face risks by operating as joint arrangements in which Solvay shares control but does not own a controlling interest"). Similarly, reporting lines, including those for risk reporting, internal control and financial reporting, may not always be properly and timely followed. The failure by any Group company to follow Group-wide management standards may adversely affect the Group's performance. In



addition, the inconsistent application of Group-wide management standards and failure to share information may adversely affect Solvay's ability to effectively perform its function as ultimate Group holding company, including supervision of the other Group companies, and its obligations as a publicly listed issuer. Any of these risks could have material adverse effects on the Group's business, financial condition, and results of operations.

***Solvay is exposed to potential regulatory action from competition authorities.***

Taking into account Solvay's strong focus on some of its markets, which are in some cases very concentrated, Solvay cannot exclude the risk that it will be the subject of investigations relating to unfair competition practices by the relevant antitrust authorities. These investigations could result in a judgment and the payment of fines or penalties which, taking into account the level of the fines that could be imposed by the antitrust authorities, could have a negative impact on Solvay's image as well as on its financial condition and results of operations. Solvay has in the past been subject to antitrust proceedings, as described in the Section "*Description of the Issuer*".

***Solvay faces risks related to product liability.***

Solvay faces risks relating to claims that its products or manufacturing processes may cause injury to third parties, including property damage and personal injury. Such injuries or damage may arise from inappropriate use or safety recommendations or from previously unidentified effects of existing products. Certain substances produced at Solvay facilities are subject to strict liability regimes in certain jurisdictions, meaning that the manufacturer is liable for any damage caused by the product, regardless of proof of fault or negligence.

Defective products may give rise to product liability claims when they do not meet specifications because of manufacturing errors, product contamination or product quality being altered during shipping or storage. Defective products may lead to recalls, particularly for products used in the healthcare and food & feed industries. Certain products may only be marketed to industrial customers due to significant potential hazards associated with their use. These products are not available for retail sale directly to consumers and must be accompanied by appropriate warnings describing conditions of safe use. If such products do reach the general public or the warning labels are insufficient, Solvay may be held strictly liable for the use of products that are not defective.

Solvay also runs the risk, in the context of new-product development, that it will not be able to adequately detect all potential effects of a product on humans, animals or the environment. Solvay must incur significant expense to monitor product quality, insure safe shipping methods, guarantee appropriate use of its products at customer sites and complete required regulatory documentation. A failure to follow such procedures may also be a source of liability.

In the course of defending product liability suits or recalling products as a preventative measure, Solvay could incur significant costs and diversion of its resources and its management's attention. Due to the competitive nature of Solvay's industry, it is unlikely that Solvay could increase its prices to cover such costs. In addition, such claims could result in large settlements that could have an impact on Solvay's reputation, business, financial condition and results of operations.

***The Group's production processes and operations are subject to the inherent hazards and other risks associated with chemical processing, production, storage, and transportation.***

The Group's production processes and operations are subject to the hazards and risks associated with chemical processing, production and the related storage and transportation by the Group or its subcontractors. The Group's production processes rely on hazardous substances, which can present major risks to the health and safety of workers, neighboring populations and the environment. Other potential hazards associated with chemical production and operations include accidents, explosions, fires, inclement weather, transport risks, terrorist attacks, natural disasters, mechanical failure, transportation interruptions, remediation, pipeline leaks

and ruptures, storage tank leaks, chemical spills, discharges or releases of toxic or hazardous substances or gases and other risks. These hazards could expose workers, suppliers, the community and others to toxic chemicals and other hazards, contaminate property and the environment, damage property, result in personal injury or death, lead to an interruption, relocation or suspension of operations and materially adversely affect the productivity and profitability of a particular production facility or the Group's business operations as a whole, and result in governmental enforcement, regulatory shutdowns, the imposition of government fines and penalties and claims brought by governmental entities or third parties.

The occurrence of any such event, which is not entirely preventable despite the application of a high standard of care, could be seriously detrimental to the Group's reputation and harm the Group's ability to obtain or maintain its existing licenses or its key commercial, regulatory, and governmental relationships. In addition, the Group uses contractors, over whom the Group has little control, who may perform duties on behalf of the Group in a manner that may cause harm to the health and safety of other workers, neighboring populations and the environment. The costs associated with any of these events may be substantial and could exceed or otherwise not be fully covered by the Group's insurance coverage. In addition, a number of governments have instituted regulations attempting to increase the protection and security of chemical plants and the transportation of hazardous substances, which could result in higher operating costs.

Furthermore, improper handling of hazardous substances by the Group, its customers or its business partners due to the Group's failure to provide, if at all, appropriate handling instructions, failure by its customers or business partners to follow handling instructions or otherwise may lead to the release of toxic or hazardous substances, which may in turn result in stricter regulation or restriction of the use of such substances. Each of these scenarios could materially adversely affect the Group's business, financial condition and results of operations.

***Solvay's business depends on a reliable supply chain and the continued operation of its manufacturing facilities.***

Solvay faces manufacturing risks from potential problems in its supply chain, production units or transportation links. Such risks relate to raw materials, suppliers, production methods, storage units and inbound/outbound transportation. Risks may result from major or critical equipment failure, production unit damage, natural disasters, chemical spills, transportation accidents, strikes, human error, raw material shortages, and power failures. Some of Solvay's products are produced at a single location but serve as inputs for other production facilities within Solvay's Group. Significant operating hazards and interruptions at these facilities may significantly impact the Group. During downtime, Solvay may be required to fulfill certain of its customer contracts using product purchased from third parties at spot prices, and Solvay may incur losses in connection with those sales. Solvay's supply chain is also exposed to large changes in energy or raw-material prices and availability constraints due to significant imbalances between supply and demand in these markets. In addition, some of Solvay's products, both specialty and commoditized, are produced only in one plant, and work stoppages in those plants could have repercussions for other Solvay facilities or for Solvay's customers. Any slow-downs or stoppages in Solvay's facilities due to supply chain issues may have a material adverse effect on Solvay's financial condition and results of operations.

***Solvay could be held liable in case of an accident during the shipment of its products.***

Solvay uses freight carriers for the shipment of its manufactured goods to its customers by road, air, railway, river or ocean. An incident or accident during the shipment of products manufactured by Solvay could represent a risk for the health and safety of persons and for the environment. Even if the Group is not responsible for the incident or accident, such a situation could have negative consequences for Solvay's reputation and have a material adverse effect on Solvay's business, financial condition and results of operations.

***Solvay may fail to obtain adequate insurance coverage to compensate it for risk of loss, or Solvay may choose to self-insure, exposing it to risks and costs arising from inadequate insurance or self-insurance.***

Solvay's operations involve the production, handling and shipping of hazardous chemicals, giving rise to risks that may not be fully covered by its existing insurance coverage. Solvay could face significant reductions in revenues and increases in expenses to the extent these hazards or interruptions are not fully covered by its existing insurance coverage. Insurance companies that currently insure companies in Solvay's industry may cease to do so, may change the coverage provided or may substantially increase premiums in the future.

Solvay is currently insured under casualty, aerospace product, political risks, terrorism, cyber, environmental, crime, property and business interruption insurance policies. These policies contain exclusions and conditions that could have a materially adverse impact on Solvay's ability to receive indemnification thereunder, as well as customary sub-limits for particular types of losses.

In addition, Solvay may decide to retain all or part of risks that are insurable, or self-insure for all or part of such risks, and face a loss in the event that such risks materialize.

Any major accident, fire, flood or other event could damage Solvay's facilities or the environment and the surrounding community or result in injuries or loss of life. If Solvay experiences significant property damage, business interruption, environmental claims or other liabilities, Solvay's business could be materially adversely affected to the extent the damages or claims exceed the amount of its valid and collectible insurance policies or are insurable but uninsured by choice, which could adversely affect Solvay's business, financial condition and results of operations.

***Solvay is party to a number of claims and lawsuits arising in the ordinary course of business.***

With its variety of activities and its geographic reach, the Solvay group is exposed to legal risks, particularly in the areas of product liability, contractual relations, antitrust laws, patent disputes, tax assessments and health, safety and environmental (HSE) matters. In this context litigation cannot be avoided and is sometimes necessary to defend the rights and interests of the Group. Material ongoing legal proceedings involving the Solvay Group are described in the Section "*Description of the Issuer*". In certain circumstances, Solvay has recorded provisions in accordance with IFRS to cover the financial risk and defense costs. The outcome of proceedings cannot be predicted with certainty. It is therefore possible that adverse final court decisions or arbitration awards could lead to expenses that are not covered or not fully covered by provisions or insurance and could have a material adverse impact on Solvay's business, financial condition and results of operations.

***The Group relies on good relations with its employees and works councils.***

The Group must comply with labor laws in the numerous jurisdictions in which it operates, and in some cases employment rights require Solvay to work collaboratively with the legal representatives of employees to effect any changes to labor arrangements. For example, most of Solvay's employees in Europe are represented by works councils that have co-determination rights on any changes in conditions of employment, including salaries and benefits and staff changes. Such representation may impede efforts to restructure Solvay's workforce. In addition, Solvay's failure to renew labor agreements on reasonable terms could result in labor disruptions and increased labor costs, which could adversely affect Solvay's financial performance. If Solvay's relations with its workforce do not remain positive, such employees could initiate a strike, work stoppage or slowdown in the future. In the event of such an action, Solvay may not be able to adequately meet the needs of its customers using its remaining workforce. A strike, work stoppage or slowdown by Solvay's employees or significant dispute with its employees could result in a significant disruption of Solvay's operations and higher ongoing labor costs, and could adversely affect Solvay's business, financial condition and results of operations.

***Solvay is subject to interest rate risks.***

Certain of Solvay's borrowings, primarily borrowings under short term treasury notes programs and working capital facilities, are at variable rates of interest and expose Solvay to interest rate risk. If interest rates increase, Solvay's debt service obligations on such indebtedness would increase even though the amount borrowed remained the same, which would require that Solvay use more of its available cash to service its indebtedness. The interest rates are dependent both on general market conditions as well as on investors' and lenders' perception of Solvay's liquidity and growth profile. Any additions to floating rate debt could increase its exposure to movements in both underlying interest rates and the risk premium Solvay pays. Any increase in the interest rates Solvay pays could have a material adverse effect on its business, financial condition and results of operations.

***Solvay is subject to fluctuations in currency exchange rates.***

Solvay is exposed to foreign exchange risk as a result of its international activities, including its geographically diverse production and sales activities, as well as its purchases of raw materials on international markets.

Solvay is subject to translation risk, which is the risk of variation in Solvay's euro-denominated consolidated financial statements resulting from subsidiaries operating in currencies other than the euro. Exchange rate fluctuations, particularly of the U.S. dollar, the Russian rouble, the Brazilian real, the Chinese yuan, the Thai bhat, and the South Korean won, can affect Solvay's reported results of operations. Solvay does not hedge the translation risk resulting from its foreign operations.

Solvay is also subject to transactional risk, which is the exchange risk linked to a specific transaction, such as a Group company buying or selling in a currency other than its functional currency. The Group's policy is to hedge forward this foreign currency exposure for the following financial year using forward foreign exchange contracts or other derivatives, such as currency options.

The choice of borrowing currency depends mainly on the opportunities offered by the various markets. This means that the selected currency is not necessarily that of the country in which the funds will be invested. Nonetheless, operating entities are financed essentially in their own local currencies, with this currency being obtained, where appropriate, by currency swaps against the currency held by the financing company. These enable the Group to limit the exchange risk both in the financial company and in the company ultimately using the funds. In emerging countries it is not always possible to borrow in local currency, either because local financial markets are too narrow or funds are not available, or because the financial conditions are too onerous. In such a situation the Group has to borrow in a different currency.

Although the Group attempts to reduce the risks associated with exchange rate fluctuations, those fluctuations may adversely affect Solvay's business, financial condition and results of operations.

***Solvay has significant liabilities under its pension plans.***

Solvay is exposed to many different benefit plans, the most important of which are defined-benefit plans in France, the United Kingdom, the United States, Brazil and Germany. Fluctuations in discount rates, salaries, social security benefits, longevity and asset/liability matching can have a major impact on the liabilities of such pension plans. For such plans, Solvay's risks relate primarily to returns on investments under management, inflation and interest rate fluctuations. In addition, changes in government regulation could require funding pension liabilities that are currently unfunded or could create new pension liabilities. The existence of these liabilities could affect Solvay's credit profile and its ability to make future investments and could have a material adverse effect on Solvay's cash flows, financial condition and results of operations.

***Solvay is exposed to liquidity risks.***

Changing market conditions or lower credit ratings could result in a contraction in the availability of credit, reduce Solvay's sources of liquidity and result in higher borrowing costs. Solvay's liquidity risk therefore depends on the ability to generate cash from operations to service payment obligations under its debts, refinance debt or raise new debt.

In addition to cash flow from Group operations, the Group also has in place liquidity reserves. In addition, Solvay has several committed credit facilities.

Notwithstanding these liquidity reserves, adverse market conditions or lower credit ratings could reduce Solvay's flexibility to respond to changing business and economic conditions or to meet existing debt maturities, fulfil Solvay's financial obligations or fund its working capital needs, which could have a material adverse effect on Solvay's business, financial condition and results of operations.

***Solvay has contingent liabilities that may come due.***

Solvay guarantees certain liabilities and commitments of third parties, as described more fully in the financial statements included herein. The Group has also identified environmental contingent liabilities.

***Solvay is subject to commitments given to purchasers of the businesses Solvay has divested, and Solvay may find latent liabilities in businesses it has acquired.***

By implementing its strategic plan to focus on businesses in which Solvay achieves leading market positions, Solvay has sold a number of businesses to third parties over the past several years. Under these sale agreements, Solvay has given certain customary guarantees to the purchasers, particularly with regard to the compliance by the business sold with legislative and regulatory requirements, to business liabilities and to business assets. In addition to these contractual commitments, Solvay could be held liable as the seller depending on applicable laws.

Environmental, health and safety regulations affect not only activities at sites currently in operation, but may also relate to Solvay's past activities or sites that Solvay has shut down or sold. A large number of Solvay's current, past or discontinued production sites have a long history of industrial use. As a result, soil and groundwater contamination has occurred at certain sites in the past, and it is possible that further contamination could be discovered at these sites or other sites in the future. Solvay could be held liable and incur considerable expenses for remedial measures at these sites and for any new obligations discovered.

Solvay has also undertaken targeted acquisitions and intends to continue this strategy. Acquisitions can expose Solvay to the various risks and in particular to contingent liabilities or responsibilities attached to acquired businesses. For example, Solvay may be subject to environmental liabilities at sites Solvay acquires even if damage relates to activities prior to its ownership. Any contractual protections Solvay has in a sale agreement may be time barred or inadequate to protect Solvay and depend on the liquidity of its counterparties. Moreover, Solvay's decisions to acquire businesses are based on assumptions concerning their operations and prospects which may not materialize. Any of those risks related to disposals or acquisitions could have a material adverse effect on Solvay's business, financial condition and results of operations.

***If Solvay fails to maintain an effective system of internal control over financial reporting, it may not be able to accurately report its financial results or prevent fraud.***

Solvay has designed and continues to maintain and update its internal controls with the objective of providing reasonable assurance that (i) its transactions are properly authorized; (ii) its assets are safeguarded against unauthorized or improper use; and (iii) its transactions are properly recorded and reported, all to permit the preparation of Solvay's financial statements in conformity with applicable accounting principles.

Any system of controls can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Any failure to maintain adequate internal controls or to be able to produce accurate financial statements on a timely basis could increase Solvay's operating costs and have a material adverse effect on its business, financial condition and results of operations.

***Solvay is subject to numerous and complex tax regimes and changes in such regimes or in the interpretation of existing rules could materially impact its financial situation.***

Solvay has operations in many countries in Europe, the Asia-Pacific area, North America and South America, and Solvay is therefore liable to pay taxes in many jurisdictions. The tax burden on the Group thus depends in particular on the interpretation of local tax regulations, bilateral or multilateral international tax treaties and the administrative doctrines in each one of these jurisdictions. Changes in these tax regimes, or in the interpretation of existing rules under these regimes, could have an impact on Solvay's tax burden and hence on its business, financial condition and results of operations.

***Solvay's ability to use existing tax loss carry forwards to reduce future tax payments may be limited if Solvay experiences a change in ownership, or if taxable income does not reach sufficient levels.***

Solvay's ability to use its net operating loss ("NOLs") carry forwards is restricted to income in the jurisdictions where such NOLs exist. In addition, use of net operating losses may be subject to limitations and reassessment under the laws of these jurisdictions, due to ownership changes that have occurred or that may occur in the future. Additionally, tax law limitations may result in Solvay's net operating losses expiring before Solvay has the ability to use them. In addition, financing and acquisition transactions that Solvay may enter into in the future could significantly limit or eliminate its ability to realize any value from its net operating losses.

***Taxing authorities could reallocate Solvay's taxable income among its subsidiaries, which could increase Solvay's overall tax liability.***

Solvay is based in Belgium, operates several industrial sites and has several subsidiaries in various countries. Solvay conducts operations through its subsidiaries in various tax jurisdictions pursuant to transfer pricing arrangements between Solvay's parent company and subsidiaries. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length and that appropriate documentation be maintained to support the transfer prices. Solvay's transfer pricing procedures are not binding on applicable tax authorities.

If tax authorities in any of these countries were to successfully challenge Solvay's transfer prices as not reflecting arms' length transactions, they could require Solvay to adjust its transfer prices and thereby reallocate its income to reflect these revised transfer prices, which could result in a higher tax liability to Solvay. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject Solvay's income to double taxation or assess interest and penalties, it would increase Solvay's consolidated tax liability, which could adversely affect Solvay's financial condition, results of operations and cash flows.

***Changes in assumptions underlying the carrying value of certain assets, including as a result of adverse market conditions, could result in impairment of such assets, including intangible assets such as goodwill.***

The estimate of the carrying value of certain assets is subject to several assumptions and estimates. If management's estimates or key assumptions change, the estimate of the fair value of goodwill could fall significantly and result in impairment. While impairment of goodwill does not affect reported cash flows, it does result in a non-cash charge in the income statement, which could have a material adverse effect on Solvay's results of operations or financial condition.

***Several of Solvay's businesses face risks by operating as joint arrangements in which Solvay shares control.***

Solvay has developed strategic partnerships with other companies in order to have access to or benefit from new businesses, new markets or new technologies or know-how. Some of these strategic partnerships take the form of joint arrangements over which Solvay has limited control. Joint arrangements can qualify as (a) joint ventures (in which case Solvay has rights to the net assets of the joint arrangements), which are recognized by applying the equity method of accounting, or (b) joint operations (in which case Solvay has direct rights to the assets and obligations for the liabilities of the joint arrangement), for which Solvay recognizes its share of the assets, liabilities, income and expense of the joint operation.

Solvay bears the risks inherently associated with this type of structure. Depending on the case, because of the autonomy of these joint arrangements or shareholder agreements, Solvay may have to abide by decisions relating in particular to new financing, capital expenditures and approval of operating plans as well as the timing and the amount of the dividend distributions that may not be in Solvay's interest. Also, any serious disagreements between joint operators may make effective profitable management impossible. Such situations could have a material adverse effect on Solvay's business, financial condition and results of operations.

Solvay's forecasts and plans for these joint arrangements assume that Solvay's partners will observe their obligations to make capital contributions, purchase products and, in some cases, provide managerial personnel or financing. In addition, many of the projects contemplated by Solvay's joint arrangements rely on financing commitments, which contain certain preconditions for each disbursement. If any of Solvay's partners fail to observe their commitments or if Solvay fails to comply with all preconditions required under its financing commitments, the affected joint arrangements or other project may not be able to operate in accordance with Solvay's business plans, or Solvay may have to increase its level of investment to implement these plans.

Any of these events may have a material adverse effect on Solvay's business, financial condition and results of operations.

***Solvay's largest shareholder may be able to exert influence over important corporate decisions.***

As of the date of this Prospectus, Solvac SA ("Solvac"), a corporation incorporated in Belgium and listed on Euronext Brussels, is Solvay's largest shareholder. Accordingly, Solvac may have significant influence in determining the outcome of any corporate transaction or other matters which are submitted to the shareholders of Solvay for approval, including appointment of directors, changes to the by-laws, capital increases, mergers or other business combinations. Depending on the voting rights present or represented at Solvay's shareholder meetings, Solvay may be able to approve on its own, or effectively prevent the approval of any such significant corporate transactions.

As a significant shareholder with a long-term investment horizon, Solvac's interests may not necessarily be aligned with those of other investors of Solvay.

***Solvay is reliant on its IT systems, and cyber attacks, security breaches or technology malfunctions could compromise confidential, business critical information, cause a disruption in Solvay's operations or harm Solvay's reputation.***

The Group's ability to effectively manage its business depends on the security, reliability and capacity of its IT systems.

Breaches of security in Solvay's information technology systems could negatively impact Solvay's financial results as a result of stolen intellectual property, trade secrets and other sensitive business-critical information. The Group has put in place security measures designed to protect against the misappropriation or corruption of its systems, intentional or unintentional disclosure of confidential information, or disruption of its operations. However, these security measures may prove ineffective. Current employees have, and former employees may have had, access to a significant amount of information regarding the Group's operations, which could be disclosed to its competitors or otherwise used to harm the business. Any breach of the Group's security measures could result in unauthorized access to and misappropriation of its information, corruption of data or disruption of operations or transactions, any of which could materially adversely affect the Group's business, financial condition, results of operations and prospects.

Other IT risks include fraud or manipulation within the accounting, financial or cash management services, destruction of sensitive customer or contractual information, or disruption of production facilities.

In spite of Solvay's cyber security program, a significant cyber attack could negatively affect operations, which could have a negative impact on Solvay's business, financial condition and results of operations. In addition, the Group could be required to expend significant amounts to respond to unanticipated information technology issues or malfunctions.

## **Risks relating to the Bonds**

***The Bonds may not be a suitable investment for all investors.***

Each potential investor of the Bonds must make its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial adviser. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (d) understand thoroughly the Terms and Conditions of the Bonds and be familiar with the behavior of financial markets and of any financial variable which might have an impact on the return on the Bonds; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully



consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds. Prospective purchasers should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Bonds.

***Undated Securities.***

The Bonds are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem the Bonds at any time (except under limited circumstances for tax reasons).

The holders of the Bonds (the “**Bondholders**”) have no right to require redemption of the Bonds, except that the Bonds will become immediately due and payable in the event of a *concursum creditorum* (*concursum de créanciers/samenloop van schuldeisers*) on all or substantially all of the assets of the Issuer, including bankruptcy (*faillite/faillissement*) and judicial or voluntary dissolution and liquidation (*dissolution et liquidation judiciaire ou volontaire/gerechtelijke of vrijwillige ontbinding en vereffening*), other than a voluntary dissolution in the context of solvent reorganisation whereby the surviving entity assumes all obligations of the Issuer. See “*Terms and Conditions of the Bonds*”.

Bondholders should therefore be aware that the principal amount of the Bonds may not be repaid and that they may lose the value of their capital investment.

***There are no events of default under the Bonds.***

The Terms and Conditions of the Bonds do not provide for events of default allowing acceleration of the Bonds if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Bonds, including the payment of any interest, investors will not have the right to require the early redemption of principal. Upon a payment default, the sole remedy available to Bondholders for recovery of amounts owing in respect of any payment of principal or interest on the Bonds will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

***Deferral of interest payments.***

On any Interest Payment Date (as defined in the Terms and Conditions of the Bonds), the Issuer may elect to defer payment of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest not paid on an applicable Interest Payment Date and deferred shall, so long as the same remains outstanding, constitute Outstanding Amounts (as defined in the Terms and Conditions of the Bonds) and shall be compounded and only payable as outlined in Condition 6 (*Payments and Calculations*) of the Terms and Conditions of the Bonds.

Any deferral of interest payments (or the perception that the Issuer will exercise its deferral right) will be likely to have an adverse effect on the market price of the Bonds. In addition, as a result of the above provisions of the Bonds, the market price of the Bonds may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer’s financial condition.

***Early redemption risk.***

The Issuer may redeem the Bonds in whole, but not in part, on any date during the period commencing on (and including) 4 December 2023 (being the date falling three months prior to the First Reset Date) and ending on (and including) the First Reset Date, and on any Interest Payment Date thereafter, in accordance with Condition 5(b)(i) (*General call option of the Issuer*).

The Issuer may also, at its option, redeem the Bonds in whole (but not in part), upon a Tax Gross-Up Event or a Tax Deductibility Event in accordance with Condition 5(b)(ii) (*Redemption for taxation reasons*), upon a Rating Methodology Event in accordance with Condition 5(b)(iii) (*Redemption for rating reasons*), upon an Accounting Event in accordance with Condition 5(b)(iv) (*Redemption for accounting reasons*), and if the Issuer or the Issuer's subsidiaries have purchased Bonds equal to or in excess of 80 per cent. of the aggregate principal amount of the Bonds initially issued under the Terms and Conditions of the Bonds in accordance with Condition 5(d) (*Purchases and cancellation*), each as further described in Condition 5 (*Redemption and Purchase*) of the Terms and Conditions of the Bonds.

Upon a *concursum creditorum* (*concoure de créanciers/samenloop van schuldeisers*) on all or substantially all of the assets of the Issuer, including bankruptcy (*faillite/faillissement*) and judicial or voluntary dissolution and liquidation (*dissolution et liquidation judiciaire ou volontaire/gerechtelijke of vrijwillige ontbinding en vereffening*), other than a voluntary dissolution in the context of solvent reorganisation whereby the surviving entity assumes all obligations of the Issuer, the Bonds will become immediately due and payable in accordance with Condition 5(c) (*Liquidation*).

The redemption at the option of the Issuer may affect the market value of the Bonds. During any period when the Issuer may elect to redeem (or is perceived to be able to redeem) the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to the Early Redemption Date. The Issuer may also be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. There can be no assurance that, at the relevant time, Bondholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Bonds. Potential investors should consider reinvestment risk in light of other investments available at that time.

There is no redemption at the option of the holders of the Bonds.

#### ***Exchange or variation risk.***

If the Bonds are redeemable early in accordance with Condition 5(b)(ii) (*Redemption for taxation reasons*), 5(b)(iii) (*Redemption for rating reasons*) or 5(b)(iv) (*Redemption for accounting reasons*), this would entitle the Issuer to exchange or vary the Bonds.

The Issuer is also entitled to exchange or vary the Bonds if the Issuer determines in its sole discretion prior to the first Interest Payment Date that it is not or no longer sufficiently certain that interest payments under the Bonds are tax-deductible by the Issuer for Belgian corporate income tax purposes to the same extent as Unsubordinated Obligations of the Issuer (a "**Tax Deductibility Exchange and Variation Event**").

Any such exchange or variation of the Bonds may occur without the consent of the Bondholders, provided the requirements of Condition 15 (*Exchange and variation*) are complied with, including the fact that any such exchange or variation is not prejudicial to the Bondholders as a class. Pursuant to the Terms and Conditions of the Bonds, an exchange or variation is deemed not prejudicial if (i) a Subsidiary of the Issuer incorporated in the European Union is substituted for the Issuer or if the Bonds are exchanged for Bonds issued by a Subsidiary of the Issuer and if the Substitute is Solvay Finance, the terms and conditions of the bonds are substantially in the same form as the terms and conditions of the 2015 Hybrid Bonds, it being understood that the Change of Control Call Event and Shareholder Approval Requirement (each as defined therein) should not be reinstated and that the withholding tax event set out in condition 5(b)(ii)(C) of the 2015 Hybrid Bonds would become an optional redemption event, (ii) the Issuer shall unconditionally and irrevocably guarantee in favour of each Bondholder the payment of all sums payable by the Substitute on substantially the same terms as the guarantee of the Issuer in respect of the 2015 Hybrid Bonds and (iii) such substitution would not result in the occurrence of an event described in Condition 5(b)(ii) (*Redemption for taxation reasons*), an Accounting Event, a Tax Deductibility Exchange and Variation Event or a Rating Methodology Event.

Any such exchange or variation would operate so that after such exchange or variation, (i) in the case of an exchange or variation upon a Tax Gross-Up Event or a Tax Deductibility Event, payments of principal and interest in respect of such Bonds (as the case may be) are not subject to deduction or withholding by reason of the laws applicable in the jurisdiction of the Issuer or, in case of a Substitute, the Substitute or published regulations or are deductible to the same extent as Unsubordinated Obligations of the Issuer, (ii) in the case of an exchange or variation upon a Rating Methodology Event, the aggregate nominal amount of the Exchanged Bonds or Varied Bonds (as the case may be) is assigned “equity credit” by the relevant Rating Agency that is at least the same as that which was assigned to the Bonds on or before the Issue Date, or, if such equity credit was not assigned on or before the Issue Date, at the date when the equity credit was assigned for the first time, (iii) in the case of an exchange or variation upon an Accounting Event, the aggregate nominal amount of the Exchanged Bonds or Varied Bonds (as the case may be) would be recorded as “equity” in full in the audited consolidated financial statements of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the audited consolidated financial statements of the Issuer or (iv) in the case of an exchange or variation upon a Tax Deductibility Exchange and Variation Event, payments of interest in respect of the Exchanged Bonds or Varied Bonds (as the case may be) are deductible to the same extent as Unsubordinated Obligations of the Issuer or the substitute of the Issuer.

Any such exchange or variation may, without limitation, result in (i) a legal entity different from the Issuer becoming the issuer of any bonds exchanged for the Bonds (in which case such bonds shall be guaranteed by the Issuer on substantially the same terms as the guarantee of the Issuer in respect of the 2015 Hybrid Bonds) which may be based in another jurisdiction than the Issuer, in which case different laws of mandatory nature would be applicable, such as insolvency laws, tax laws and corporate laws, (ii) the publication of any supplement, listing particular or offering circular in connection with such exchange or variation to comply with the rules of any stock exchange on which the Bonds are listed, (iii) the ISIN number for the bonds exchanged for the Bonds being different from the ISIN number for the Bonds, (iv) the terms and conditions of the bonds issued in exchange for the Bonds being different from the Terms and Conditions of the Bonds to allow for local law considerations and to reflect the guarantee of the Issuer and (v) the bonds issued in exchanged for the Bonds being cleared and/or settled in a clearing or securities settlement system different from the Securities Settlement System.

Any such exchange or variation may, subject to the requirements of Condition 15 (*Exchange and Variation*) being satisfied, be implemented without the consent of the Bondholders. Whilst the Exchanged Bonds or Varied Bonds, as the case may be, are required to comply with the requirements of Condition 15 (*Exchange and Variation*) (which requires, among other things, that such exchange and/or variation is not prejudicial to the interests of the Bondholders as a class), there can be no assurance that the exchange or variation of the Bonds, as the case may be, will not have a significant adverse impact on the price of, and/or market for, the Bonds or the circumstances of individual Bondholders.

***No limitation on issuing or guaranteeing debt.***

There is no restriction in the Terms and Conditions of the Bonds on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* to the Bonds. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Bondholders on a winding-up of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Bonds.

If the Issuer’s financial condition were to deteriorate, the Bondholders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer were liquidated (whether voluntarily or not), the Bondholders could suffer loss of their entire investment.

### ***Deeply Subordinated Obligations.***

The obligations of the Issuer under the Bonds are direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank, in the event of a Winding-Up, and subject to any obligations mandatorily preferred by law, *pari passu* among themselves and *pari passu* with all other present and future Obligations of the Issuer under any Parity Securities (each term as defined in the Terms and Conditions of the Bonds) of the Issuer. The obligations of the Issuer under the Bonds are subordinated to and rank behind the claims of all other unsubordinated and subordinated creditors of the Issuer. The obligations of the Issuer under the Bonds rank in priority only to Junior Securities and any classes of Share Capital Securities (each term as defined in the Terms and Conditions of the Bonds) of the Issuer.

In the event of any *concursum creditorum* (*concours de créanciers/samenloop van schuldeisers*) on all or substantially all of the assets of the Issuer, including bankruptcy (*faillite/faillissement*) and judicial or voluntary dissolution and liquidation (*dissolution et liquidation judiciaire ou volontaire/gerechtelijke of vrijwillige ontbinding en vereffening*), other than a voluntary dissolution in the context of solvent reorganisation whereby the surviving entity assumes all obligations of the Issuer (a “**Winding-Up**”), the rights of Bondholders to payment under the Bonds will be subordinated to the full payment of the unsubordinated creditors of the Issuer (including holders of Unsubordinated Obligations), of the ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Obligations), if and to the extent that there is still cash available for those payments. Thus, the Bondholders face a higher performance risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer.

In the event of such Winding-Up of the Issuer, the Bonds shall rank in priority only to any payments to holders of Share Capital Securities and Junior Securities. In the event of incomplete payment of creditors ranking senior to the Bondholders, the obligations of the Issuer and the relative interest will be terminated. Therefore, in case of a Winding-Up of the Issuer, the holders of the Bonds may recover significantly less than other creditors of the Issuer. The holders of the Bonds may receive less than the nominal amount of the Bonds and may lose their entire investment.

Prospective investors should also take into consideration that unsubordinated liabilities of the Issuer may also arise out of events that are not reflected on the balance sheet of the Issuer, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer and will be paid in full before the obligations under the Bonds in a Winding-Up of the Issuer will be payable.

Although subordinated debt securities, such as the Bonds, may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Bonds will lose all or some of his investment should the Issuer become insolvent.

### ***No voting rights.***

The Bonds do not give the Bondholders the right to vote at meetings of the shareholders of the Issuer.

### ***No prior market for the Bonds and liquidity risk.***

There is currently no secondary market for the Bonds. Application has been made to list the Bonds on the Official List of the Luxembourg Stock Exchange and admit the Bonds to trading on the Regulated Market of the Luxembourg Stock Exchange. However, there can be no assurance that a liquid secondary market for the Bonds will develop or, if it develops, that it will continue. In an illiquid market, an investor might not be able to sell his Bonds at any time at fair market prices. The possibility to sell the Bonds might additionally be restricted by country specific reasons.

### ***Fixed Rate Bonds.***

Interest on the Bonds will be payable at a fixed rate of interest to (but excluding) 4 March 2024. The holder of a fixed interest rate bond is exposed to the risk that the price of such bond falls as a result of changes in market interest rates. While the nominal interest rate of a fixed interest rate bond is fixed, in this case, during a certain period of time, the current interest rate on the market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such bond tends to evolve in the opposite direction. If the market interest rate increases, the price of such bond typically falls, until the yield of such bond is approximately equal to the market interest rate. Bondholders should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses for the Bondholders if they sell Bonds during the period in which the interest rate of the Bonds is fixed.

### ***Reset Rate Bonds.***

Interest on the Bonds before the First Reset Date, which is calculated at a fixed rate, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Following the First Reset Date, interest on the Bonds shall be calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years. These mid swap rates are not pre-defined for the lifespan of the Bonds. Higher mid swap rates for Euro swap transactions mean a higher interest and lower mid swap rates for swap transactions with a maturity of five years mean a lower interest. Please also refer to the risk factor “*Regulation and reform of “benchmarks” may adversely affect the value of the Bonds*” below.

### ***Modification and waivers without the consent of the holders of the Bonds.***

The Terms and Conditions of the Bonds and the Domiciliary Agency Agreement contain provisions for calling General Meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant General Meeting and Bondholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Bonds also provide that the Bonds and the Terms and Conditions of the Bonds may be amended without the consent of the Bondholders to correct a manifest error. Furthermore, the Issuer may agree to amendments to the Domiciliary Agency Agreement without the consent of the Bondholders, provided that the Issuer shall not agree, without the consent of the Bondholders, to any modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the parties, not materially prejudicial to the interests of the Bondholders.

Finally, the Terms and Conditions of the Bonds provide that the Issuer may, under certain circumstances, exchange the Bonds, vary the terms of the Bonds or substitute the Issuer of the Bonds, in accordance with Condition 15 (*Exchange and variation*). Please also refer to the risk factor “*Exchange or variation risk*” above.

### ***The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the Securities Settlement System.***

The Bonds will be issued in dematerialized form under the Belgian Companies Code and cannot be physically delivered. The Bonds will be represented exclusively by book-entries in the records of the Securities Settlement System. Access to the Securities Settlement System is available through its Securities Settlement System participants whose membership extends to securities such as the Bonds. Securities Settlement System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*) and Euroclear and Clearstream. Transfers of the Bonds will be effected between the Securities Settlement System participants in accordance with the rules and operating procedures of the Securities Settlement System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Securities Settlement System participants through which they hold their Bonds. The Issuer and BNP Paribas Securities Services, Brussels branch as domiciliary agent (the “**Domiciliary Agent**”) and calculation agent (the

“**Calculation Agent**”) will have no responsibility for the proper performance by the Securities Settlement System or the Securities Settlement System participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the Securities Settlement System to receive payment under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the Securities Settlement System.

***The Domiciliary Agent is not required to segregate amount due in respect of the Bonds.***

The Terms and Conditions of the Bonds and the Domiciliary Agency Agreement provides that the Domiciliary Agent will debit the relevant account of the Issuer to pay the Bondholders. The Domiciliary Agent will pay any amounts due and payable in respect of the Bonds to the Bondholders directly or through the Securities Settlement System. The Domiciliary Agent is not required to segregate any such amounts received in respect of the Bonds from its other assets. The Bondholders would be required to claim such amounts from the Domiciliary Agent in accordance with applicable Belgian insolvency laws.

***Potential conflicts of interest.***

Potential conflicts of interest may arise between the Managers, the Domiciliary Agent and/or the Calculation Agent and the Bondholders, including with respect to certain discretionary determinations and judgements that such Calculation Agent may make pursuant to the Terms and Conditions of the Bonds that may influence the amount receivable under the Bonds.

Potential investors should be aware that the Managers, the Domiciliary Agent and/or the Calculation Agent and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers, the Domiciliary Agent and/or the Calculation Agent and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates (including the Bonds). The Managers, the Domiciliary Agent and/or the Calculation Agent or their affiliates that have a lending relationship with the Issuer or its affiliates routinely hedge, or may potentially hedge, their credit exposure to the Issuer and/or affiliates consistent with their customary risk management policies. Typically, such exposure would be hedged by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Bonds). Any such short positions could adversely affect future trading prices of the Bonds. The Managers, the Domiciliary Agent and/or the Calculation Agent and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

***Legality of purchase.***

Neither the Issuer, the Manager(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

***Change of law.***

The Terms and Conditions of the Bonds are based on English and Belgian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in English

and/or Belgian law or the official application, interpretation or administrative practice of English and/or Belgian law after the date of this Prospectus.

***Currency risk.***

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than euro. Exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Bonds.

***Credit ratings may not reflect all risks.***

The Bonds are expected to be assigned a credit rating by Moody's and S&P. Credit ratings may however not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant credit rating agency.

Furthermore, if the credit ratings assigned to the Issuer were to be reduced or withdrawn for any reason, this may in turn lead to one or more of the credit ratings assigned to the Bonds being reduced or withdrawn, which could have a negative effect on the market value of the Bonds.

In addition, each of Moody's and S&P or any other rating agency may change its methodologies for rating securities with features similar to the Bonds in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Bonds, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Bonds were to be subsequently lowered, this may have a negative impact on the trading price of the Bonds.

***Market value of the Bonds.***

The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates. The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in Belgium or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Bonds are admitted to trading. The price at which a Bondholder will be able to sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

***A Bondholder's actual yield on the Bonds may be reduced from the stated yield by transaction costs.***

When Bonds are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Bonds. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro rata commissions depending on the order value. To the extent that additional parties – domestic or foreign – are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Bondholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (i.e., third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Bondholders must also take into account any other costs (such as custody fees). Investors should inform themselves about any additional costs which they may incur in connection with the purchase, custody or sale of the Bonds before investing in the Bonds.

***The current IFRS accounting classification of financial instruments such as the Bonds as equity instruments may change which may result in the occurrence of an Accounting Event.***

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on “Financial Instruments with Characteristics of Equity” (the DP/2018/1 Paper). While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented, the IFRS equity classification of financial instruments such as the Bonds may change. If such a change leads to an Accounting Event, the Issuer will have the option to redeem, in whole but not in part, the Bonds pursuant Condition 5(b)(iv) (*Redemption for accounting reasons*) or exchange or vary the terms of the Bonds pursuant to Condition 15 (*Exchange and variation*).

The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Bonds from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event.

For further description of risks related to early redemption or to exchange or variation of the Bonds see also the risk factors “*Early redemption risk*” and “*Exchange or variation risk*” above.

***Taxation.***

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial bonds such as the Bonds. In addition, payments of interest on the Bonds, or profits realised by the Bondholder upon the sale or repayment of the Bonds, may be subject to taxation in the home jurisdiction of the potential investor or in other jurisdictions in which it is required to pay taxes.

Potential investors are advised not to rely upon the tax overview contained in this Prospectus but to ask for their own tax adviser’s advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

***Belgian insolvency laws may adversely affect a recovery by the holders of amounts payable under the Bonds.***

Belgian insolvency laws, which should be applicable as the main residence and corporate seat of the Issuer are located in Belgium, may adversely affect a recovery by the holders of amounts payable under the Bonds. The application of Belgian insolvency laws can have a significant impact on the ability of Bondholders to obtain a full or partial repayment of the Bonds in an insolvency situation.

***Regulation and reform of “benchmarks” may adversely affect the value of the Bonds.***

Reference rates and indices, including interest rate benchmarks, such as the Euro Interbank Offered Rate (“**EURIBOR**”), which are used to determine the amounts payable under financial instruments or the value of such financial instruments (“**Benchmarks**”) have, in recent years, been the subject of national, international and other regulatory guidance and proposals for reform. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause such Benchmarks



to perform differently than in the past, to be discontinued or to have other consequences which cannot be predicted.

In March 2017, the European Money Markets Institute (“EMMI”) published a position paper setting out the legal grounds for certain proposed reforms to EURIBOR. The proposed reforms seek to clarify the EURIBOR specification, to align the current methodology with the Benchmark Regulation, the IOSCO Principles (i.e., nineteen principles which are to apply to Benchmarks used in financial markets as published by the Board of the International Organisation of Securities Commissions in July 2013) and other regulatory recommendations and to adapt the methodology to better reflect current market conditions. EMMI is more specifically aiming to evolve the current quote based methodology to a transaction based methodology in order to better reflect the underlying interest that it intends to measure and adapt to the prevailing market conditions. In particular, it is contemplated that it will be anchored on actual market transaction input data whenever available, and on other funding sources if transaction data are insufficient. In a statement published in January 2018, EMMI indicated that it aims to launch the hybrid methodology for EURIBOR by the fourth quarter of 2019 at the latest, in accordance with the transitional period provided for by the Benchmark Regulation. On 29 March 2018, EMMI launched its first stakeholder consultation on the hybrid methodology. The consultation closed on 15 May 2018 and is followed by an in-depth testing of the proposed methodology under live conditions from May to August 2018. On 17 October 2018, EMMI published its second consultation paper on a hybrid methodology for EURIBOR, presenting a summary of the findings during the testing of the proposed methodology and setting out proposals in respect of certain parameters of such methodology that are still to be specified.

On 21 September 2017, the ECB, the European Commission, ESMA and the Belgian Financial Services and Markets Authority announced that they would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current Benchmarks used in a variety of financial instruments and contracts in the euro area. Based on further discussions and the feedback received, the working group announced its recommendations on 13 September 2018 that ESTER would be used as the risk-free rate for the euro area. The group is now exploring possible approaches for ensuring a smooth transition to this rate. Furthermore, the ECB announced that it will start providing an overnight unsecured index before 2020.

Any changes to the administration of a Benchmark or the emergence of alternatives to a Benchmark as a result of these reforms may cause such Benchmark to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of a Benchmark or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of the Bonds. Uncertainty as to the nature of alternative reference rates and as to potential changes to a Benchmark may adversely affect such Benchmark during the term of the Bonds, the return on the Bonds and the trading market for securities based on the same Benchmark. The development of alternatives to a Benchmark may result in the Bonds performing differently than would otherwise have been the case if such alternatives to such Benchmark had not developed. Any such consequence could have a material adverse effect on the value of, and return on, the Bonds.

Whilst alternatives to certain existing Benchmarks for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding bonds linked to or refinancing an existing benchmark will only transition away from such Benchmark in accordance with their particular terms and conditions.

The Terms and Conditions of the Bonds provide that the Reset Rate of Interest shall be determined by reference to the mid swap rate for Euro swap transactions with a maturity of five years as published on Reuters Page ICESWAP2 (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in euro). In circumstances where such Original Reference Rate is discontinued, neither the relevant display page, nor any successor or replacement may be available.

If the Original Reference Rate does not appear on the relevant display page and no successor or replacement for the relevant display page is available, the Terms and Conditions of the Bonds provide for the Reset Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent for the 5-Year Euro Mid Swaps, plus the Relevant Margin.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Reset Rate of Interest may ultimately be determined by reference to the 5-Year Euro Mid Swaps applicable as at the last preceding Interest Period, plus the Relevant Margin. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Bonds.

If a Benchmark Event (as defined in Condition 4(h) (*Benchmark Event*)) (which, amongst other events, includes the permanent discontinuation of the Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Reset Rate of Interest will result in the Bonds performing differently (which may include payment of a lower Reset Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions of the Bonds provide that the Issuer may vary the Terms and Conditions of the Bonds and/or the Domiciliary Agency Agreement as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Bondholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Terms and Conditions of the Bonds also provide that an Adjustment Spread may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Bondholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Bondholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Reset Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in the Bonds performing differently (which may include payment of a lower Reset Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Bonds.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Reset Rate of Interest for the next succeeding Interest Period will be determined by reference to the 5-Year Euro Mid Swaps rate applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, plus the Relevant Margin, or, where the Benchmark Event occurs before the first Interest Determination Date, the Reset Rate of Interest will be the initial Reset Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or the Independent Adviser has failed to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, the Issuer will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest

Determination Date and/or the Independent Adviser will continue to attempt to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Reset Rate of Interest, or the Reset Rate of Interest on the basis of the 5-Year Euro Mid Swaps rate applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event will result in the Bonds performing differently (which may include payment of a lower Reset Rate of Interest) than they would do if the relevant Benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the Bonds, the initial Reset Rate of Interest, or the Reset Rate of Interest determined by reference to the 5-Year Euro Mid Swaps rate applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Bonds, in effect, becoming fixed rate Bonds (subject to any change to the Relevant Margin).

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the current and potential reforms of Benchmarks, investigations and licensing issues in making any investment decision with respect to the Bonds.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (1) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2016 (consolidated in accordance with IFRS) and the audit report from the auditor of the Issuer;
- (2) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017 (consolidated in accordance with IFRS) and the audit report from the auditor of the Issuer;
- (3) the first half 2018 financial report of the Issuer containing (i) the unaudited condensed consolidated interim financial statements of the Issuer for the first six months of 2018 and (ii) the limited review report from the auditor of the Issuer
- (4) the third quarter and first nine months 2018 financial report of the Issuer containing (i) the unaudited condensed consolidated interim financial statements of the Issuer for the first nine months of 2018 and (ii) the limited review report from the auditor of the Issuer; and
- (5) the following press releases:
  - (i) the press release published by the Issuer on 19 September 2017 entitled “*Solvay enters into a binding agreement to sell its Polyamides business to BASF, a landmark in Solvay’s transformation*”; and
  - (ii) the press release published by the Issuer on 16 October 2018 entitled “*The divestment of Polyamides moves forward*”.

All documents incorporated by reference have been previously published or are published simultaneously with this Prospectus and have been filed with the CSSF for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg.

Any statement contained in a document or part of a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, be part of this Prospectus.

This Prospectus and the documents incorporated by reference in this Prospectus are available for viewing on the website of the Issuer ([www.solvay.com](http://www.solvay.com)) and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The table below sets out the relevant page references for (i) the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017, (ii) the unaudited condensed consolidated interim financial statements of the Issuer for the first six months of 2018 and (iv) the unaudited condensed consolidated interim financial statements of the Issuer for the first nine months of 2018.

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#### **First half 2018 financial report of the Issuer**

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### **Third quarter and first nine months 2018 financial report of the Issuer**

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The information incorporated by reference that is not included in the above cross-reference list is considered to be additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended.

The press releases mentioned in paragraph (5) are incorporated by reference in the Prospectus in their entirety.

## GENERAL DESCRIPTION

*This general description must be read as an introduction to the Prospectus prepared by the Issuer in connection with the issue of Euro 300,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.25 Bonds (the “Bonds”). Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference therein.*

*Words and expressions defined in the Prospectus, including the documents incorporated by reference in the Prospectus, shall have the same meanings in this general description.*

### Essential characteristics of the Bonds

<b>Issuer:</b>	Solvay SA
<b>Description:</b>	Euro 300,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.25 Bonds of Solvay SA (the “Bonds”).
<b>Structuring Agents to the Issuer:</b>	HSBC Bank plc and J.P. Morgan Securities plc
<b>Joint Global Coordinators:</b>	HSBC Bank plc and J.P. Morgan Securities plc
<b>Joint Bookrunners:</b>	HSBC Bank plc, J.P. Morgan Securities plc, Crédit Agricole Corporate and Investment Bank, Crédit Suisse Securities (Europe) Limited, ING Bank N.V., Belgian Branch, Merrill Lynch International and MUFG Securities EMEA plc
<b>Amount:</b>	Euro 300,000,000
<b>Issue Price:</b>	100 per cent.
<b>Domiciliary Agent and Calculation Agent:</b>	BNP Paribas Securities Services, Brussels branch
<b>Method of Issue:</b>	The Bonds will be issued on a syndicated basis.
<b>Issue Date:</b>	4 December 2018
<b>Currency:</b>	Euro
<b>Denomination:</b>	The Bonds will be in the denomination of Euro 100,000 each and may only be settled in principal amounts equal to such denomination or integral multiples thereof.
<b>Status of the Bonds:</b>	The Bonds are Deeply Subordinated Bonds. The principal and interest on the Bonds constitute direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank, in the event of a Winding-Up, and subject to any obligations mandatorily preferred by law, (i) <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future Parity Securities of the Issuer, (ii) senior to any Obligations of the Issuer under any Junior Securities and any classes of Share Capital Securities issued by the Issuer and (iii) junior to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer.

<b>Use of Proceeds:</b>	The net proceeds of the issue of the Bonds will be used for the general corporate purposes of the Group, including the possible repayment of other subordinated indebtedness.
<b>Negative pledge:</b>	There is no negative pledge in respect of the Bonds.
<b>Events of default:</b>	There are no events of default in respect of the Bonds.
<b>Optional Redemption/Early Redemption:</b>	<p>The Bonds may be redeemed (in whole but not in part) at their principal amount together with any amounts outstanding thereon on any date during the period commencing on (and including) 4 December 2023 (being the date falling three months prior to the First Reset Date) and ending on (and including) the First Reset Date, and on any Interest Payment Date thereafter, at the option of the Issuer.</p> <p>The Issuer will also have the right to redeem the Bonds (in whole but not in part) at their principal amount or at the Early Redemption Amount, as applicable, for certain tax reasons, upon an Accounting Event, upon a Rating Methodology Event or in the event that Bonds equal to or in excess of 80 per cent. of the aggregate principal amount of the Bonds initially issued in accordance with the Terms and Conditions of the Bonds have been purchased by the Issuer or any of the Issuer's subsidiaries (each as such terms are defined in "<i>Terms and Conditions of the Bonds – Definitions</i>").</p> <p>Upon any <i>concursum creditorum</i> (<i>concoure de créanciers/samenloop van schuldeisers</i>) on all or substantially all of the assets of the Issuer, including bankruptcy (<i>faillite/faillissement</i>) and judicial or voluntary dissolution and liquidation (<i>dissolution et liquidation judiciaire ou volontaire/gerechtelijke of vrijwillige ontbinding en vereffening</i>), other than a voluntary dissolution in the context of solvent reorganisation whereby the surviving entity assumes all obligations of the Issuer, the Bonds will become immediately due and payable in accordance with the Terms and Conditions of the Bonds.</p>
<b>Taxation:</b>	All payments in respect of the Bonds will be made free and clear of withholding taxes of Belgium, unless the withholding is required by law or regulations. In that event, the Issuer will pay (subject as provided in Condition 7 ( <i>Taxation</i> )) such additional amounts as will result in the Bondholders receiving such amounts as they would have received in respect of such Bonds had no such withholding been required.
<b>Interest:</b>	The Bonds will bear interest (i) at the fixed rate of 4.250 per cent. per annum from (and including) 4 December 2018 (the " <b>Issue Date</b> ") to (but excluding) 4 March 2024, payable annually in arrear on 4 March in each year and (ii) thereafter at a rate equal to the mid swap rate for 5-Year Euro Mid Swaps as set out in the Terms and Conditions of the Bonds plus the Relevant Margin payable annually (each as such terms are defined in " <i>Terms and Conditions of the Bonds – Definitions</i> ").



<b>Deferral of interest:</b>	The Issuer may, at its option, elect not to pay interest in respect of the Bonds, in which case any such interest shall be deferred and constitute “Outstanding Amounts”. Outstanding Amounts will bear interest at the rate of interest then applicable to the Bonds. Outstanding Amounts and interest accrued thereon shall be payable at any time at the Issuer’s discretion and mandatorily upon the occurrence of an Outstanding Amount Payment Event (as such term is defined in “ <i>Terms and Conditions of the Bonds – Definitions</i> ”).
<b>Representation of Bondholders:</b>	The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters relating to the Bonds. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.
<b>Selling Restrictions:</b>	<p>The Bonds have not been and will not be registered under the Securities Act and are being offered and sold only outside the United States in accordance with Regulation S thereunder. Selling restrictions apply in various jurisdictions.</p> <p>The Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the National Bank of Belgium.</p> <p>The Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any consumer (<i>consument/consommateur</i>) within the meaning of the Belgian Code of Economic Law (<i>Wetboek van economisch recht/Code de droit économique</i>).</p>
<b>Form of Bonds:</b>	The Bonds will be issued in the form of dematerialized Bonds in accordance with the Belgian Companies Code. They will be represented by book entries in the records of the securities settlement system operated by the National Bank of Belgium (the “NBB”) or any successor thereto (the “ <b>Securities Settlement System</b> ”). The Bonds may not be exchanged for bonds in bearer or registered form, subject to applicable law.
<b>Settlement:</b>	The Bonds have been accepted for settlement through the Securities Settlement System.
<b>Listing/admission to trading:</b>	Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.
<b>Governing Law:</b>	The Conditions of the Bonds and all non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, English law, except that the provisions of Condition 2 ( <i>Form, denomination and title</i> ), Condition 3 ( <i>Status of the Bonds</i> ) and Condition 10(a) ( <i>Meetings of</i>

*Bondholders*) shall be governed by, and shall be construed in accordance with, Belgian law.

**Rating:**

The Bonds are expected to be assigned a rating of Ba1 by Moody's and a rating of BB+ by S&P. A rating is not a recommendation to buy, sell or hold Bonds and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

## TERMS AND CONDITIONS OF THE BONDS

The creation and issue of Euro 300,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.25 Bonds of Solvay SA (the “**Issuer**”) has been authorized pursuant to a resolution of the Board of Directors of the Issuer dated 7 November 2018. The Bonds will be issued pursuant to a domiciliary agency agreement dated on or about 30 November 2018 (the “**Domiciliary Agency Agreement**”) between the Issuer and BNP Paribas Securities Services, Brussels branch as domiciliary agent (the “**Domiciliary Agent**”, which expression includes any successor domiciliary agent appointed from time to time in connection with such Bonds), as calculation agent (the “**Calculation Agent**”, which expression shall, where the context so admits, include any successor for the time being as Calculation Agent) and a service contract for the issuance of fixed income securities dated on or about 30 November 2018 (the “**Clearing Services Agreement**”) between the National Bank of Belgium, the Issuer and BNP Paribas Securities Services, Brussels branch as Domiciliary Agent. Certain provisions of these Conditions are summaries of the Domiciliary Agency Agreement and subject to its detailed provisions. Copies of the Domiciliary Agency Agreement are available for inspection at the specified office of the Domiciliary Agent. The holders of the Bonds (the “**Bondholders**”) are bound by, and are deemed to have notice of, all the provisions of the Domiciliary Agency Agreement applicable to them. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

### 1. DEFINITIONS

For the purposes of these Conditions:

“**2013 Hybrid Bonds**” means the 2013 Perp-NC5.5 Bonds and the 2013 Perp-NC10 Bonds.

“**2013 Perp-NC5.5 Bonds**” means the EUR 700,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.5 Bonds with ISIN XS0992293570 issued by Solvay Finance and irrevocably guaranteed on a subordinated basis by the Issuer in 2013.

“**2013 Perp-NC10 Bonds**” means the EUR 500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC10 Bonds with ISIN XS0992293901 issued by Solvay Finance and irrevocably guaranteed on a subordinated basis by the Issuer in 2013.

“**2015 Hybrid Bonds**” means the 2015 Perp-NC5.5 Bonds and the 2015 Perp-NC8.5 Bonds.

“**2015 Perp-NC5.5 Bonds**” means the EUR 500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.5 Bonds with ISIN XS1323897485 issued by Solvay Finance and irrevocably guaranteed on a subordinated basis by the Issuer in 2015.

“**2015 Perp-NC8.5 Bonds**” means the EUR 500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC8.5 Bonds with ISIN XS1323897725 issued by Solvay Finance and irrevocably guaranteed on a subordinated basis by the Issuer in 2015.

“**5-Year Euro Mid Swap Quotations**” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) for a fixed-for-floating euro interest rate swap which (i) has a term of 5 years commencing on the first day of the relevant Reset Rate Interest Period, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

“**Accounting Event**” means that a recognized accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) since 30 November 2018, the Bonds may not or may no longer be recorded as “equity”

in full pursuant to International Financial Reporting Standards (“IFRS”) or any other accounting standards that may replace IFRS for the purposes of the consolidated financial statements of the Issuer.

“**Actual/Actual-ICMA**” means the number of days in the Calculation Period divided by the number of days in the relevant Fixed Rate Interest Period.

“**Bonds**” means the Euro 300,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.25 Bonds issued by the Issuer.

“**Bondholders**” means the holders of the Bonds.

“**Broken Amount**” means Euro 1,047.95 per Euro 100,000 in principal amount of Bonds.

“**Business Day**” means (i) a day other than a Saturday or Sunday on which the Securities Settlement System is operating and (ii) a day on which banks and forex markets are open for general business in Belgium and (iii) (if a payment in euro is to be made on that day), a day on which the TARGET2 System is operating.

“**Calculation Period**” means any period of time (from and including the first day of such period to but excluding the last) in respect of the calculation of an amount of interest on any Bond.

“**Deeply Subordinated Bonds**” means any bonds or notes of the Issuer (including the Bonds) which constitute direct, unsecured and lowest ranking subordinated Obligations (*engagements subordonnés de dernier rang*) of the Issuer and which rank and will rank, by their terms, by operation of law or otherwise, junior to the Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer, but in priority to any Junior Securities and any classes of Share Capital Securities issued by the Issuer.

“**Early Redemption Amount**” means an amount payable in respect of each Bond on the date set for redemption (the “**Early Redemption Date**”), which shall be:

- (i) in the case of a Tax Gross-Up Event or a Substantial Repurchase Event at any time, 100% of its principal amount; or
- (ii) in the case of an Accounting Event, a Rating Methodology Event or a Tax Deductibility Event, either:
  - (A) 101% of its principal amount if the Early Redemption Date falls prior to 4 December 2023 (being the date falling three months prior to the First Reset Date); or
  - (B) 100% of its principal amount if the Early Redemption Date falls on or after 4 December 2023 (being the date falling three months prior to the First Reset Date),

in each case together with any interest accrued to, but excluding, the Early Redemption Date including any Outstanding Amounts together with interest accrued thereon at the Prevailing Rate.

“**Extraordinary Resolution**” has the meaning ascribed to this term in Condition 10 (*Representation of the Bondholders*).

“**First Call Date**” means 4 March 2024.

“**First Interest Payment Date**” has the meaning ascribed to such term in Condition 4(a) (*General*).

“**First Reset Date**” means 4 March 2024.

“**Initial Fixed Rate Interest Period**” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Fixed Rate Interest Payment Date (as defined in Condition 4(a) (*General*)) and each successive period beginning on (and including) a Fixed Rate Interest Payment Date and ending on

(but excluding) the next succeeding Fixed Rate Interest Payment Date until (but excluding) the First Call Date shall be a “**Fixed Rate Interest Period**”.

“**Interest Payment Date**” means a Fixed Rate Interest Payment Date or a Reset Rate Interest Payment Date, as the case may be, both as defined in Condition 4(a) (*General*).

“**Interest Period**” means a Fixed Rate Interest Period or a Reset Rate Interest Period, as the case may be.

“**Junior Securities**” means any instruments issued, entered into or guaranteed by the Issuer, including any Share Capital Securities issued by the Issuer, which rank (or in relation to which the Issuer’s payment obligations under the relevant guarantee rank), by their terms, by operation of law or otherwise, junior to the Bonds or to any Parity Security issued by the Issuer.

“**Liquidation Redemption Date**” has the meaning ascribed to such term in Condition 5(c) (*Liquidation*).

“**Obligations**” means, in respect of any person, any financial obligation expressed to be assumed by or imposed on it under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

“**Ordinary Subordinated Creditors**” means any person(s) to whom/which the Issuer owes an Ordinary Subordinated Obligation.

“**Ordinary Subordinated Obligations**” means any Obligations of the Issuer which constitute direct, unsecured and subordinated obligations of the Issuer and which in an insolvency rank and will rank, by their terms, by operation of law or otherwise, *pari passu* among themselves and *pari passu* with all other present and future Ordinary Subordinated Obligations, but in priority to any Parity Securities.

“**Outstanding Amount**” means any amount deferred in accordance with Condition 4(e) (*Deferral of Interest*).

“**Outstanding Amount Payment Event**” means any one or more of the following events:

- (a) the Issuer has declared or paid a dividend (whether in cash, shares or any other form) or more generally declared or made a payment of any nature, on or in respect of any Share Capital Securities;
- (b) the Issuer or any of its Subsidiaries has declared or made a payment of any nature, on or in respect of any Parity Securities or Junior Securities issued by the Issuer or guaranteed by the Issuer;
- (c) the Issuer or any of its Subsidiaries has redeemed, repurchased or repaid any Parity Securities issued or entered into by it, any Junior Securities issued or entered into by it or any Share Capital Securities issued by it, or the Issuer or any of its Subsidiaries has otherwise acquired any Parity Securities or any Junior Securities;
- (d) the Issuer making a payment of interest on the Bonds (other than discretionary payments of deferred interest and associated amounts howsoever defined) on an Interest Payment Date; or
- (e) the Bonds are redeemed,

save for, (i) in each case, any compulsory dividend, other payment, redemption, repurchase, repayment or other acquisition required by the terms of such securities, and (ii) in the case of Parity Securities only, (1) any redemption, repurchase, repayment or acquisition according to (c) above executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Parity Security below its par value and (2) discretionary partial payments of deferred interest and associated amounts, howsoever defined.

**“Parity Securities”** means any instruments issued, entered into or guaranteed by the Issuer which rank (or in relation to which the Issuer’s payment obligations under the relevant guarantee rank), by their terms, by operation of law or otherwise, junior to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer and in priority to any Junior Securities and any classes of Share Capital Securities issued by the Issuer. For the avoidance of doubt, Parity Securities shall include the 2013 Hybrid Bonds and the 2015 Hybrid Bonds.

**“Prevailing Rate”** means the rate of interest which is from time to time applicable to the Bonds in accordance with Condition 4(a) (*General*).

**“Rating Agency”** means any of Moody’s Deutschland GmbH (“**Moody’s**”), S&P Global Ratings Europe Limited (“**S&P**”) or any other rating agency of equivalent international standing solicited from time to time by the Issuer to grant a rating to the Issuer and in each case, any of their respective successors to the rating business thereof.

**“Rating Methodology Event”** means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in ratings methodology of such Rating Agency, which amendment, clarification or change results in a lower “equity credit” (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Bonds than the then highest respective “equity credit” assigned on or before 30 November 2018, or if “equity credit” is not assigned on or before 30 November 2018, at the date when the “equity credit” from such Rating Agency is assigned for the first time.

**“Regulated Market of the Luxembourg Stock Exchange”** means the regulated market of the Bourse de Luxembourg which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended from time to time.

**“Relevant Margin”** means, (i) from and including the First Reset Date, to (but excluding) the Second Reset Date, 3.917 per cent., (ii) from and including the Second Reset Date to (but excluding) 4 March 2044 (the “**2044 Step Up Date**”), 4.167 per cent., or (iii) from and including the 2044 Step Up Date, 4.917 per cent.

**“Reset Rate Interest Period”** means the period beginning on (and including) the First Reset Date and ending on (but excluding) the Second Reset Date and each successive period beginning on (and including) a Reset Rate Interest Payment Date (as defined in Condition 4(a) (*General*)) and ending on (but excluding) the Reset Rate Interest Payment Date falling on the 5th anniversary of such Reset Rate Interest Payment Date (each such date a “**Subsequent Reset Date**”).

**“Second Reset Date”** means 4 March 2029.

**“Securities Settlement System”** means the securities settlement system operated by the National Bank of Belgium (“**NBB**”) or any successor thereto.

**“Share Capital Securities”** means any ordinary shares (*actions ordinaires*) or preference shares (*actions de préférence*) issued by the Issuer, or any profit-sharing certificates (*parts bénéficiaires*) issued by the Issuer which rank or would rank, by their terms, by operation of law or otherwise, equally with any ordinary shares or preference shares, if any, issued by the Issuer.

**“Subsidiary”** means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) (i) whose affairs and policies the first person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

“**Substantial Repurchase Event**” has the meaning ascribed to such term in Condition 5(d) (*Purchases and cancellation*).

“**TARGET Business Day**” means a day on which the TARGET2 System is operating.

“**TARGET2 System**” means the Trans European Automated Real Time Gross Settlement Express Transfer System or any successor thereto.

“**Tax Deductibility Event**” has the meaning ascribed to such term in Condition 5(b)(ii)(B).

“**Tax Deductibility Exchange and Variation Event**” has the meaning ascribed to such term in Condition 15 (*Exchange and Variation*).

“**Tax Gross-Up Event**” has the meaning ascribed to such term in Condition 5(b)(ii)(A).

“**Unsubordinated Creditors**” means any person(s) to whom/which the Issuer owes an Unsubordinated Obligation.

“**Unsubordinated Obligation**” means any Obligation of the Issuer which is unsubordinated.

“**Winding-Up**” means any *concursum creditorum* (*concours de créanciers/samenloop van schuldeisers*) on all or substantially all of the assets of the Issuer, including bankruptcy (*faillite/faillissement*) and judicial or voluntary dissolution and liquidation (*dissolution et liquidation judiciaire ou volontaire/gerechtelijke of vrijwillige ontbinding en vereffening*), other than a voluntary dissolution in the context of solvent reorganisation whereby the surviving entity assumes all obligations of the Issuer.

## 2. **FORM, DENOMINATION AND TITLE**

The Bonds are in dematerialized form in accordance with the Belgian Companies Code. The Bonds will be issued in denominations of Euro 100,000 and may only be settled through the Securities Settlement System in principal amounts equal to such denomination or integral multiples thereof. The Bonds will be represented by a book entry in the records of the Securities Settlement System. The Bonds can be held by their holders through the participants in the Securities Settlement System, including Euroclear and Clearstream, and through other financial intermediaries which in turn hold the Bonds through Euroclear, Clearstream or other participants in the Securities Settlement System. Possession of the Bonds will pass by account transfer.

The Bonds are accepted for settlement through the Securities Settlement System, and are accordingly subject to the applicable clearing regulations of the NBB. The Bonds will be settled through the X/N accounts system organized within the Securities Settlement System in accordance with the law of 6 August 1993 on transactions in certain securities (*loi relative aux opérations sur certaines valeurs mobilières/wet betreffende de transacties met bepaalde effecten*) and the corresponding royal decrees of 26 May 1994 and 14 June 1994. The Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System.

Bondholders are entitled to claim directly against the Issuer any payment which the Issuer has failed so to make (unless deferred in accordance with these Conditions), and to exercise their voting rights and other associative rights (as defined for the purposes of the Belgian Companies Code) against the Issuer upon submission of an affidavit drawn up by the Securities Settlement System, Euroclear or another participant duly licensed in Belgium to keep dematerialized securities accounts showing their position in the Bonds (or the position held by the financial institution through which their Bonds are held with the NBB, Euroclear or such other participant, in which case an affidavit drawn up by that financial institution will also be

required).

The Bonds may not be exchanged for bonds in bearer or registered form, subject to applicable law.

### 3. STATUS OF THE BONDS

- (a) *Status of the Bonds*: The Bonds are Deeply Subordinated Bonds. The principal and interest on the Bonds constitute direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank, in the event of a Winding-Up, and subject to any obligations mandatorily preferred by law, (i) *pari passu* among themselves and *pari passu* with all other present and future Obligations of the Issuer under any Parity Securities of the Issuer, (ii) senior to any Obligations of the Issuer under any Junior Securities and any classes of Share Capital Securities issued by the Issuer and (iii) junior to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer.
- (b) *Amount due on Winding-Up*: On a Winding-Up of the Issuer, the rights of the Bondholders will be calculated on the basis of the principal amount of the Bonds together with accrued interest on such principal amount, Outstanding Amounts and accrued interest on such Outstanding Amounts and to the extent that all other creditors of the Issuer (including Unsubordinated Creditors of the Issuer and Ordinary Subordinated Creditors of the Issuer) ranking in priority to the Bondholders have been or will be fully reimbursed, as ascertained by the liquidator. On a Winding-Up of the Issuer, no payments will be made to creditors ranking junior to the Bondholders (including holders of Junior Securities or Share Capital Securities) before all amounts due, but unpaid, to all Bondholders under the Bonds have been paid by the Issuer.
- (c) *Prohibition of set-off*: Subject to applicable law, no Bondholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Bonds and each Bondholder shall, by virtue of its holding of any Bond, be deemed to have waived all such rights of set-off, compensation or retention.

### 4. INTEREST AND DEFERRAL OF INTEREST

- (a) *General*: Each Bond bears interest on its principal amount at a fixed rate of 4.250 per cent. per annum (the “**Initial Fixed Rate of Interest**”) from (and including) the Issue Date to (but excluding) 4 March 2024, payable annually in arrear on 4 March in each year (each a “**Fixed Rate Interest Payment Date**”) commencing on 4 March 2019 (the “**First Interest Payment Date**”), and thereafter at the Reset Rate of Interest (as defined in Condition 4(d)(i) (*Method of determination of the Reset Rate of Interest*) below), in each case payable annually in arrear on 4 March, commencing on 4 March 2024 (each a “**Reset Rate Interest Payment Date**”) in each case subject as provided in Condition 4(e) (*Deferral of Interest*).
- (b) *Interest Payments*: Interest payments will be made subject to and in accordance with Condition 6 (*Payments and calculations*). In the case of redemption as provided in Condition 5 (*Redemption and purchase*), interest will cease to accrue on each Bond on the Early Redemption Date or, as the case may be, the Liquidation Redemption Date, unless, upon such date, payment of the principal amount, the relevant Early Redemption Amount or, as the case may be, the amount due on the Liquidation Redemption Date is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, such Bond shall continue to bear interest in accordance with this Condition 4 (*Interest and deferral of interest*) (as well after as before judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.



(c) *Initial Fixed Rate of Interest:* The amount of interest payable on the Bonds on each Fixed Rate Interest Payment Date will be an amount equal to the product of the principal amount of the Bonds multiplied by the Initial Fixed Rate of Interest. Interest will be calculated on an Actual/Actual-ICMA annual basis. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a day count fraction which will be calculated by taking the actual number of calendar days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by the number of calendar days in the Fixed Rate Interest Period in which the relevant period falls (including the first such day but excluding the last). The first payment of interest, to be made on the First Interest Payment Date, will be in respect of the Initial Fixed Rate of Interest Period and will amount to the Broken Amount.

(d) *Reset Rate of Interest*

(i) Method of determination of the Reset Rate of Interest

The Reset Rate of Interest applicable in respect of the Bonds (the “**Reset Rate of Interest**”) will be determined by the Calculation Agent on the following basis:

(A) On the second Business Day before the beginning of each Reset Rate Interest Period (the “**Interest Determination Date**”) the Calculation Agent will obtain the mid swap rate for Euro swap transactions with a maturity of 5 years (“**5-Year Euro Mid Swaps**”), as published on Reuters Page ICESWAP2 (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in euro) (the “**Mid Swaps Page**”), as at 11.00 am (Central European Time) on such Interest Determination Date. The Reset Rate of Interest for such Reset Rate Interest Period shall be the aggregate of the Relevant Margin and the rate which so appears as determined by the Calculation Agent.

(B) If for any reason, on any Interest Determination Date, no rate is calculated and is published on the Mid Swaps Page, the Calculation Agent will request any four major banks selected by it in the European inter-bank market (the “**Reference Banks**”) to provide it with their respective 5-Year Euro Mid Swap Quotations offered by such banks at approximately 11.00 am (Central European time) on such Interest Determination Date, to prime banks in the European market for 5-year Euro Mid Swaps in an amount that is, in the reasonable opinion of the Calculation Agent, representative for a single transaction in the relevant market at the relevant time. The Reset Rate of Interest for such Reset Rate Interest Period shall be the aggregate of the Relevant Margin and the arithmetic mean (rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the rates so quoted.

(C) If only two or three rates are so quoted on any Interest Determination Date, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the rates so quoted and the Reset Rate of Interest for such Reset Rate Interest Period shall be the aggregate of the Relevant Margin and such arithmetic mean. If fewer than two rates are so quoted on any Interest Determination Date, the Reset Rate of Interest in respect of such Reset Rate Interest Payment Date shall be the aggregate of the then applicable Relevant Margin and the 5-Year Euro Mid

Swaps rate last quoted on the Mid Swaps Page as obtained by the Calculation Agent.

- (ii) Determination of Reset Rate of Interest and Calculation of Reset Rate Interest Amount by the Calculation Agent

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Central European time) on each Interest Determination Date, determine the Reset Rate of Interest and calculate the amount of interest payable in respect of each Bond (the “**Reset Rate Interest Amount**”) for the relevant Reset Rate Interest Period. The Reset Rate Interest Amount in respect of the Bonds shall be calculated by applying the Reset Rate of Interest to the aggregate principal amount of the Bonds on an Actual/Actual-ICMA annual basis (rounded to the nearest half cent, with half a cent being rounded upwards).

- (iii) Publication of Reset Rate of Interest and Reset Rate Interest Amount

The Calculation Agent will cause the Reset Rate of Interest and the Reset Rate Interest Amount for each Reset Rate Interest Period to be notified to the Issuer, the Domiciliary Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Bonds may for the time being be listed and the Calculation Agent will cause publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after their determination but in no event later than the fourth TARGET Business Day thereafter.

- (e) *Deferral of Interest*: On each Interest Payment Date (other than an Interest Payment Date falling on the date of redemption of the Bonds), the Issuer may, at its option, elect not to pay interest in respect of the Bonds which has, pursuant to the provisions of Condition 4(a) (*General*), accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to such election and decision of deferral having been made by its *Conseil d’administration* and subject further to the giving of notice of election of deferral to the Bondholders as provided below. Any interest not paid pursuant to such an election shall be deferred.

Any amounts so deferred shall constitute “**Outstanding Amounts**”. Such non-payment shall not constitute a default by the Issuer under the Bonds or for any other purpose. Notice of non-payment of any interest under the Bonds on any Interest Payment Date shall be given to the Bondholders in accordance with Condition 11 (*Notices*) at least ten (10) TARGET Business Days prior to such Interest Payment Date. So long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, notice of any such non-payment shall be given by the Issuer as soon as reasonably practicable to such stock exchange.

- (f) *Outstanding Amounts*: To the fullest extent permitted by law, Outstanding Amounts will bear interest at the Prevailing Rate from and including the Interest Payment Date on which such Outstanding Amounts were deferred in accordance with Condition 4(e) (*Deferral of Interest*), to but excluding the date on which such Outstanding Amounts are paid, as the case may be, in accordance with this Condition. Such interest shall accrue and be calculated in accordance *mutatis mutandis* with Condition 4(a) (*General*) and, depending on whether the Prevailing Rate is the Initial Fixed Rate of Interest or a Reset Rate of Interest, in accordance *mutatis mutandis* with Conditions 4(c) (*Initial Fixed Rate of Interest*) or 4(d) (*Reset Rate of Interest*). Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate (such amounts, the “**Additional Interest Amounts**”), in accordance with this Condition 4(f) (*Outstanding Amounts*) shall be paid in cash in whole but not in part, upon the occurrence of any Outstanding Amount Payment Event or at any time, in whole or in part, at the option of the Issuer. Notice of any Outstanding Amount Payment Event or exercise by the Issuer of its option to pay all Outstanding

Amounts, together with any Additional Interest Amount at the Prevailing Rate, shall be given to the Bondholders in accordance with Condition 11 (*Notices*) within ten (10) TARGET Business Days of such event or exercise. In the case of exercise of its option to pay by the Issuer, such exercise shall be deemed to have occurred on the date of giving of the notice in accordance with Condition 11 (*Notices*).

(g) *Partial Payment of Outstanding Amounts and Additional Interest Amounts*: If amounts in respect of Outstanding Amounts and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Outstanding Amounts shall be payable before any Additional Interest Amounts;
- (ii) Outstanding Amounts accrued for any period shall not be payable until full payment has been made of all Outstanding Amounts that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Outstanding Amounts to which they relate; and
- (iii) the amount of Outstanding Amounts or Additional Interest Amounts payable in respect of any of the Bonds in respect of any period, shall be pro rata to the total amount of all unpaid Outstanding Amounts or, as the case may be, Additional Interest Amounts accrued on the Bonds in respect of that period to the date of payment.

(h) *Benchmark Event*

(i) *Independent Adviser*

If a Benchmark Event occurs, when any Reset Rate of Interest (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(h)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(h)(iii)) and any Benchmark Amendments (in accordance with Condition 4(h)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(h) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of wilful default, negligence or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Domiciliary Agent, the Calculation Agent or the Bondholders for any determination made by it, pursuant to this Condition 4(h).

If (i) the Issuer is unable to appoint an Independent Adviser, or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(h)(i) prior to the Interest Determination Date in respect of a Reset Rate Interest Period, the relevant 5-Year Euro Mid Swaps rate applicable to that Reset Rate Interest Period shall be equal to the last available 5-Year Euro Mid Swaps rate published on the Mid Swaps Page. For the avoidance of doubt, this Condition 4(h)(i) shall apply to all payments of interest on the Bonds from the end of the then current Reset Rate Interest Period onwards only, and the interest payable on the Bonds during subsequent Reset Rate Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(h)(i).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(h)(iii)) subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) for all payments of interest on the Bonds from the end of the then current Reset Rate Interest Period onwards (subject to the operation of this Condition 4(h)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(h)(iii)) subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Bonds from the end of the then current Reset Rate Interest Period onwards (subject to the operation of this Condition 4(h)).

(iii) *Adjustment Spread*

If the Independent Adviser determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(h) and the Independent Adviser, determines (i) that amendments to these Conditions and/or the Domiciliary Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(h)(v), without any requirement for the consent or approval of the Bondholders, vary these Conditions and/or the Domiciliary Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Domiciliary Agent of a certificate signed by an authorised signatory of the Issuer pursuant to Condition 4(h)(v), the Domiciliary Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Bondholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of an agreement supplemental to or amending the Domiciliary Agency Agreement), provided that the Domiciliary Agent shall not be obliged so to concur if in the opinion of the Domiciliary Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Domiciliary Agent in these Conditions or the Domiciliary Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 4(h)(iv), the Issuer shall comply with the rules of any stock exchange on which the Bonds are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(h) will be notified promptly by the Issuer to the Domiciliary Agent, the Calculation Agent and, in accordance with Condition 11 (*Notices*), the Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Domiciliary Agent of the same, the Issuer shall deliver to the Domiciliary Agent a certificate signed by an authorised signatory of the Issuer:

- (A) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(h); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Domiciliary Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Domiciliary Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Domiciliary Agent, the Calculation Agent and the Bondholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under this Condition 4(h), the Original Reference Rate and the fallback provisions provided for in Condition 4(d) will continue to apply unless and until a Benchmark Event has occurred.

(vii) *Definitions*

As used in this Condition 4(h):

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Bondholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (ii) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be) (or if the Issuer determines that no such industry standard is recognised or acknowledged);

(iii) the Independent Adviser determines to be appropriate;

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4(h)(ii) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in euro;

“**Benchmark Amendments**” has the meaning given to it in Condition 4(h)(iv);

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 10 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Bonds, in each case within the following six months; or
- (v) it has become unlawful for the Domiciliary Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Bondholder using the Original Reference Rate;

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(h)(i);

“**Original Reference Rate**” means the 5-Year Euro Mid Swaps rate;

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

*In the event that the Issuer has elected to defer the payment of interest on any Interest Payment Date, if an Outstanding Amount Payment Event does not occur prior to the calendar day which is the fifth anniversary of the Interest Payment Date on which the relevant Outstanding Amount was first deferred, it is the intention, though not an obligation, of the Issuer to pay all Outstanding Amounts (in whole but not in part) no later than the next following Interest Payment Date.*

## 5. REDEMPTION AND PURCHASE

(a) *No Fixed Maturity*: The Bonds are undated without fixed maturity, and may not be redeemed otherwise than in accordance with this Condition 5 (*Redemption and purchase*).

(b) *Call options*

(i) *General call option of the Issuer*

On any date during the period commencing on (and including) 4 December 2023 (being the date falling three months prior to the First Reset Date) and ending on (and including) the First Reset Date, and on any Interest Payment Date thereafter, the Issuer, subject to having given not less than 30, and not more than 45, calendar days’ prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), may redeem all, but not some only, of the Bonds at their principal amount including any amount outstanding thereon (including an amount equal to any Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate). The Issuer will inform the Luxembourg Stock Exchange of any such redemption.

(ii) *Redemption for taxation reasons*

(A) If, by reason of a change in the laws or regulations of the Kingdom of Belgium, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), becoming effective on or after 4 December 2018, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 7 (*Taxation*) (a “**Tax Gross-Up Event**”), the Issuer may, at any time subject to having given not more than 45 nor less than 30 days’ prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the Bonds outstanding at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for Belgian taxes or, if such date has passed, as soon as practicable thereafter;

(B) If, an opinion of a recognized law firm of international standing has been delivered to the Issuer and the Domiciliary Agent, stating that by reason of any change in the laws or regulations of the Kingdom of Belgium, or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), becoming effective

on or after 30 November 2018, interest payments under the Bonds were but are no longer tax-deductible by the Issuer for Belgian corporate income tax purposes to the same extent as Unsubordinated Obligations of the Issuer would be (a “**Tax Deductibility Event**”), the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 days’ notice to Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the Bonds at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for Belgian corporate income tax purposes.

(iii) *Redemption for rating reasons*

If a Rating Methodology Event has occurred, then the Issuer may, subject to having given not more than 45 nor less than 30 days’ notice to the Domiciliary Agent and, in accordance with Condition 11 (*Notices*), the Bondholders (which notice shall be irrevocable) redeem all, but not some only, of the Bonds at any time at their Early Redemption Amount.

(iv) *Redemption for accounting reasons*

If an Accounting Event has occurred, then the Issuer may, subject to having given not more than 45 nor less than 30 days’ notice to the Domiciliary Agent and, in accordance with Condition 11 (*Notices*), the Bondholders (which notice shall be irrevocable) redeem all, but not some only, of the Bonds at any time at the Early Redemption Amount.

Before the publication of any notice of redemption pursuant to Conditions 5(b)(ii)(B), 5(b)(iii) or 5(b)(iv), the Issuer shall deliver to the Domiciliary Agent a certificate signed by an authorised signatory of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred which include, in the case of redemption in accordance with Condition 5(b)(ii)(B), an opinion of a recognized law firm of international standing referred to in such Condition, in the case of redemption in accordance with Condition 5(b)(iii), evidence of the written confirmation referred to in the definition of “Rating Methodology Event”, and in the case of redemption in accordance with Condition 5(b)(iv), a copy of the letter or report referred to in the definition of “Accounting Event”.

(c) *Liquidation:* In accordance with Condition 3 (*Status of the Bonds*), in the event of a Winding-Up of the Issuer, then the Bonds will become immediately due and payable at their principal amount together with any amounts outstanding thereon including an amount equal to any Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate and with accrued interest to the date of redemption (the “**Liquidation Redemption Date**”).

(d) *Purchases and cancellation:* The Issuer or any of the Issuer’s subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price. Such acquired Bonds may be cancelled, held or resold, subject as provided below.

All Bonds which are purchased or redeemed by the Issuer will cease to be considered to be outstanding and shall be cancelled and accordingly may not be reissued or sold save that any Bonds so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations.



In the event that the Issuer or any of the Issuer's subsidiaries, has purchased Bonds equal to or in excess of 80 per cent. of the aggregate principal amount of the Bonds initially issued pursuant to this Condition 5(d) (*Purchases and cancellation*) (a "**Substantial Repurchase Event**"), the Issuer may redeem the remaining Bonds (in whole but not in part) at their Early Redemption Amount.

*In the event of an exercise by the Issuer of any of its call options or repurchase rights pursuant to Condition 5 (Redemption and purchase), the Issuer intends to raise, though does not have an obligation to do so, proceeds at least equal to the amount payable on redemption of the Bonds from the issue of Parity Securities and/or Junior Securities, and/or ordinary shares or the sale of existing ordinary shares (save for shares purchased for cash consideration within a period of 12 months prior to the relevant date of sale of the relevant existing ordinary shares) with an aggregate "equity credit" from S&P that is at least equal to the aggregate "equity credit" of the Bonds, unless:*

- (a) the long-term corporate credit rating assigned by S&P to the Issuer is the same as or higher than the long-term corporate credit rating assigned to the Issuer on 4 December 2018 and the Issuer is content that such a rating would not fall below this level as a result of such redemption or repurchase, or*
- (b) the Bonds do not receive equity credit from S&P at the time of such redemption or repurchase, or*
- (c) in the case of a repurchase only, such repurchase is in respect of less than (x) 10 per cent. of the aggregate principal amount of the Bonds originally issued in any period of 12 consecutive months, or (y) 25 per cent. of the aggregate principal amount of the Bonds originally issued in any period of 10 consecutive years, or*
- (d) in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology, or*
- (e) such redemption or repurchase occurs on or after the 2044 Step Up Date, or*
- (f) such redemption is made pursuant to Conditions 5(b)(ii) (Redemption for taxation reasons), 5(b)(iii) (Redemption for rating reasons), 5(b)(iv) (Redemption for accounting reasons) or a Substantial Repurchase Event as referred to in 5(d) (Purchases and cancellation).*

## 6. PAYMENTS AND CALCULATIONS

- (a) Payments in Euro: All payments in euros of principal or interest owing under the Bonds shall be made through the Domiciliary Agent and the Securities Settlement System in accordance with the rules of the Securities Settlement System, and any payment so made will constitute good discharge for the Issuer.*
- (b) Payment subject to fiscal laws: All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (Taxation). No commissions or expenses shall be charged by the Domiciliary Agent to the Bondholders in respect of such payments.*
- (c) Payments on business days: If the due date for payment of any amount in respect of any Bond as determined in accordance with Condition 4(a) (General) is not a Business Day, the holder shall*

not be entitled to payment in such place of the amount due until the next succeeding Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

- (d) *Domiciliary Agent and Calculation Agent*: The name and specified office of the initial Domiciliary Agent and the Calculation Agent are as follows:

**DOMICILIARY AGENT AND CALCULATION AGENT**

**BNP Paribas Securities Services, Brussels branch**

Rue de Loosum 25  
1000 Brussels  
Belgium

The Issuer reserves the right at any time to vary or terminate the appointment of the Domiciliary Agent or of the Calculation Agent and/or appoint a substitute domiciliary agent or a substitute calculation agent, provided that there will at all times be a Domiciliary Agent that is a participant of the Securities Settlement System.

If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Bonds, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market to act in its place, subject to having given notice to the Bondholders in accordance with Condition 11 (*Notices*) not more than 45 nor less than 30 days prior to such appointment.

The Calculation Agent may not resign its duties without a successor having been so appointed.

Any notice of a change in Domiciliary Agent or in Calculation Agent or their respective specified office shall be given to Bondholders as specified in Condition 11 (*Notices*).

- (e) *Certificates to be final*: All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of these Conditions by the Calculation Agent shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Calculation Agent, the Domiciliary Agent and all the Bondholders. All calculations and determinations carried out by the Calculation Agent pursuant to these Conditions must be made in good faith. No Bondholder shall (in the absence as aforesaid) be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions.

**7. TAXATION**

- (a) *Withholding*: All payments in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Belgium or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.
- (b) *Additional amounts*: If Belgian law should require that payments of principal or interest in respect of any Bond by or on behalf of the Issuer be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that each Bondholder, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or

withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond:

- (i) to a Bondholder who is subject to such taxes, duties, assessments or other governmental charges in respect of such Bond by reason of his having some present or former connection with the Kingdom of Belgium other than the mere holding of such Bond; or
- (ii) held by any Bondholder who, at the time of its acquisition of such Bond, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the collection and refund of withholding tax (as amended or replaced as of such time) or who was an eligible investor at the time of its acquisition of such Bond but, for reasons within the Bondholder's control, ceased to be an eligible investor or, at any relevant time on or after its acquisition of such Bond, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian law of 6 August 1993 relating to transactions in certain securities and its implementation decrees as amended or replaced from time to time; or
- (iii) held on a securities account with a financial institution by or on behalf of a Bondholder who would have been able to avoid such withholding or deduction by holding the relevant Bond on a securities account with another financial institution in a Member State of the EU.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 7.

- (c) *FATCA*: Notwithstanding any other provision of these Conditions, any amounts to be paid on the Bonds by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

## 8. **NO EVENTS OF DEFAULT**

There are no events of default in respect of the Bonds.

## 9. **WAIVER**

The Bondholders waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind (*ontbinden/résoudre*), or demand in legal proceedings the rescission (*ontbinden/résoudre*) of, the Bonds and (ii) to the extent applicable, all their rights to rescind (*ontbinden/résoudre*) the Bonds pursuant to the Belgian Companies Code. Furthermore, to the fullest extent permitted by law, the parties hereby waive their rights under Article 1117 of the Belgian Civil Code to nullify, or demand in legal proceedings the nullification of, the Bonds on the ground of error (*dwalings/erreur*).

## 10. **REPRESENTATION OF THE BONDHOLDERS**

- (a) *Meetings of Bondholders:*

- (i) Subject to paragraph (ii), all meetings of Bondholders will be held in accordance with the provisions on meetings of Bondholders set out in Schedule 1 (*Provisions on meetings of Bondholders*) to these Conditions (the “**Meeting Provisions**”). Meetings of Bondholders may be convened to consider matters in relation to the Bonds, including the modification or waiver of the Bonds or any of the Conditions applicable to the Bonds. For the avoidance of doubt, any modification or waiver of the Bonds or the Conditions applicable to the Bonds shall always be subject to the consent of the Issuer.

A meeting of Bondholders may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one tenth of the aggregate nominal amount of the outstanding Bonds.

Any modification or waiver of the Bonds or the Conditions of the Bonds proposed by the Issuer may be made if sanctioned by an Extraordinary Resolution. An “**Extraordinary Resolution**” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these Conditions and the Meeting Provisions by a majority of at least 75 per cent. of the votes cast, provided, however, that any such proposal (i) to amend the dates of maturity or redemption of the Bonds or date for payment of interest or interest amounts, (ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest, (iii) to assent to a reduction of the nominal amount of the Bonds or a modification of the conditions under which any redemption, substitution or variation may be made, (iv) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment in circumstances not provided for in the Conditions, (v) to change the currency of payment of the Bonds, (vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (vii) to amend this proviso, may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than 75 per cent. or, at an adjourned meeting, 25 per cent. of the aggregate principal amount of the outstanding Bonds form a quorum.

Resolutions duly passed by a meeting of Bondholders in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Meeting Provisions furthermore provide that, for so long as the Bonds are in dematerialised form and settled through the Securities Settlement System, in respect of any matters proposed by the Issuer, the Issuer shall be entitled, where the terms of the resolution proposed by the Issuer have been notified to the Bondholders through the relevant clearing systems as provided in the Meeting Provisions, to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding. To the extent such electronic consent is not being sought, the Meeting Provisions provide that, if authorised by the Issuer and to the extent permitted by Belgian law, a resolution in writing signed by or on behalf of holders of Bonds of not less than 75 per cent. of the aggregate nominal amount of the outstanding Bonds shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, provided that the terms of the proposed resolution shall have been notified in advance to the Bondholders through the relevant settlement system(s). Such a resolution

in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(ii) For so long as the relevant provisions relating to meetings of bondholders of the Belgian Companies Code of 7 May 1999 (the “**Existing Code**”) cannot be derogated from, where any provision of the Meeting Provisions would conflict with the relevant provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.

(b) *Modification:* The Bonds and these Conditions may be amended without the consent of the Bondholders to correct a manifest error. In addition, the parties to the Domiciliary Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Bondholders.

## 11. NOTICES

Any notice to the Bondholders will be valid if delivered to the Securities Settlement System for transmission to the Securities Settlement System participants and, so long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, if published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu). If any such publication is not practicable, notice shall be validly given if published in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such delivery or publication or, if published more than once or on different dates, on the first date on which such publication is made or, if published through the Securities Settlement System, on the date which is seven days after delivery of the notice to the Securities Settlement System.

## 12. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become time-barred 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

## 13. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Bonds.

## 14. GOVERNING LAW AND JURISDICTION

(a) *Governing law:* The Conditions of the Bonds and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that the provisions of Conditions 2, 3 and 10(a) shall be governed by, and shall be construed in accordance with, Belgian law.

(b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) (including a dispute relating to the existence, validity or termination of the Bonds or all non-contractual obligations arising out of or in connection with the Bonds) arising from or connected with the Bonds.

(c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

- (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered for the attention of the Company Secretary to Solvay UK Holding Company Limited at Solvay House, Baronet Road, Warrington, Cheshire WA4 6HA, England or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Bondholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Domiciliary Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Bondholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Domiciliary Agent. Nothing in this Condition 14(d) shall affect the right of any Bondholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.
- (e) *Consent to enforcement:* The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

## 15. EXCHANGE AND VARIATION

If at any time the Issuer determines that it is entitled to redeem the Bonds in accordance with Condition 5(b)(ii) (*Redemption for taxation reasons*), 5(b)(iii) (*Redemption for rating reasons*) or 5(b)(iv) (*Redemption for accounting reasons*), or upon the occurrence of a Tax Deductibility Exchange and Variation Event (as defined below), the Issuer may, as an alternative to such redemption, on any Interest Payment Date, without the consent of the Bondholders, (i) exchange the Bonds for new bonds issued by the Issuer or a Substitute (as defined below) replacing the Bonds (the “**Exchanged Bonds**”), or (ii) vary the terms of the Bonds (the “**Varied Bonds**”), so that in either case (A) in the case of an event described in Condition 5(b)(ii) (*Redemption for taxation reasons*), payments of principal and interest in respect of the Exchanged Bonds or Varied Bonds (as the case may be) are not subject to withholding by reason of the laws applicable in the jurisdiction of the Issuer or, in case of a Substitute, the Substitute or published regulations and/or payments of interest payable by the Issuer in respect of the Exchanged Bonds or Varied Bonds (as the case may be) are deductible to the same extent as Unsubordinated Obligations of the Issuer, (B) in the case of a Rating Methodology Event, the aggregate principal amount of the Exchanged Bonds or Varied Bonds (as the case may be) is assigned “equity credit” by the relevant Rating Agency that is at least the same as that which was assigned to the Bonds on or before the Issue Date, or if such equity credit was not assigned on or before the Issue Date, at the date when the equity credit was assigned for the first time, (C) in the case of an Accounting Event, the aggregate principal amount of the Exchanged Bonds or Varied Bonds (as the case may be) is recorded as “equity” in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the annual audited consolidated financial statements of the Issuer or (D) in the case of a Tax Deductibility Exchange and Variation Event, payments of interest in respect of the Exchanged Bonds or Varied Bonds (as the case may be) are deductible to the same extent as Unsubordinated Obligations of the Issuer or the Substitute (as the case may be).

For purposes of this Condition 15:

- (i) a “**Tax Deductibility Exchange and Variation Event**” shall be deemed to have occurred if the Issuer determines in its sole discretion prior to the first Interest Payment Date that it is not or no longer sufficiently certain that interest payments under the Bonds are tax-deductible by the Issuer

for Belgian corporate income tax purposes to the same extent as Unsubordinated Obligations of the Issuer; and

- (ii) a “**Successor in Business**” means a company which:
  - (A) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior thereto; and
  - (B) carries on, as successor to the Issuer, the whole or substantially the whole of the business carried on by the Issuer immediately prior thereto.

Any such exchange or variation is subject to the following conditions:

- (a) the Issuer giving not more than 45 nor less than 30 days' notice to the Bondholders in accordance with Condition 11 (*Notices*);
- (b) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Bonds are for the time being listed or admitted to trading, and (for so long as the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, and the Exchanged or Varied Bonds continuing to be listed or admitted on the same stock exchange as the Bonds if they were listed immediately prior to the relevant exchange or variation;
- (c) with respect to exchanges and substitutions only,
  - (i) the Issuer procuring that any Outstanding Amounts together with interest accrued thereon at the Prevailing Rate shall be paid in full, at the option of the Issuer, by the Issuer or the Substitute at the latest on the date of such exchange; and
  - (ii) the Bonds being issued by the Issuer or a substitute obligor (the “**Substitute**”) being:
    - (A) the Successor in Business of the Issuer;
    - (B) a holding company of the Issuer; or
    - (C) Solvay Finance SA or another company being a wholly-owned direct or indirect finance Subsidiary of the Issuer (or of its Successor in Business as aforesaid);
- (d) the Exchanged or Varied Bonds shall maintain the same ranking in liquidation, as the ranking of the Bonds, the same interest rate applying from time to time to the Bonds and interest payment dates, to the extent they occur on a date falling after the relevant variation or exchange date, the same First Call Date, the same First Reset Date, Second Reset Date, Subsequent Reset Dates and early redemption rights, as applicable, (provided that the relevant exchange or variation may not itself trigger any early redemption right), the same rights to accrued or Outstanding Amounts together with any interest accrued thereon at the Prevailing Rate, and any other amounts payable under the Bonds which, in each case, has accrued to Bondholders and has not been paid, the same rights to principal and interest, and, if publicly rated by a Rating Agency immediately prior to such exchange or variation, at least the same credit rating immediately after such exchange or variation by such Rating Agency if the Bonds are publicly rated by any and all such Rating Agencies, as compared with the relevant rating(s) immediately prior to such exchange or variation (as determined by the Issuer using reasonable measures available to it including discussions with the Rating Agencies to the extent practicable) and shall not contain terms providing for the mandatory deferral of interest;

- (e) the terms of the exchange or variation not being prejudicial to the interests of the Bondholders as a class, it being deemed not prejudicial if:
- (i) a Subsidiary of the Issuer incorporated in the European Union is substituted for the Issuer or if the Bonds are exchanged for bonds issued by a Subsidiary of the Issuer (and, if the Substitute is Solvay Finance, the terms and conditions of the bonds are substantially in the same form as the terms and conditions of the 2015 Hybrid Bonds, it being understood that the Change of Control Call Event and Shareholder Approval Requirement (each as defined therein) should not be reinstated and that the withholding tax event set out in condition 5(b)(ii)(C) of the 2015 Hybrid Bonds would become an optional redemption event);
  - (ii) the Issuer shall unconditionally and irrevocably guarantee in favour of each Bondholder the payment of all sums payable by the Substitute on substantially the same terms as the guarantee of the Issuer in respect of the 2015 Hybrid Bonds; and
  - (iii) such substitution would not result in the occurrence of a Tax Gross-Up Event, a Tax Deductibility Event, an Accounting Event, a Tax Deductibility Exchange and Variation Event or a Rating Methodology Event),

as certified (including with respect to compliance with paragraph (d) above) for the benefit of the Bondholders by an authorised signatory of the Issuer, having consulted with an independent investment bank of international standing (for the avoidance of doubt the Domiciliary Agent shall accept the certificates of the Issuer as sufficient evidence of the occurrence of a Tax Gross-Up Event, a Tax Deductibility Event, an Accounting Event, a Rating Methodology Event or a Tax Deductibility Exchange and Variation Event and that such exchange or variation to the Bonds are not prejudicial to the interest of the Bondholders as a class); and

- (f) the issue of legal opinions addressed to the Domiciliary Agent from one or more international law firms of good reputation confirming (x) that the Issuer has capacity to assume all rights and obligations under the Exchanged Bonds or Varied Bonds and has obtained all necessary corporate or governmental authorization to assume all such rights and obligations and (y) the legality, validity and enforceability of the Exchanged Bonds or Varied Bonds.



## Schedule 1 – Provisions of meetings of Bondholders

### Interpretation

#### 1 In this Schedule:

- 1.1 references to a “**meeting**” are to a meeting of Bondholders of a single series of Bonds and include, unless the context otherwise requires, any adjournment;
- 1.2 references to “**Bonds**” and “**Bondholders**” are only to the Bonds of the series and in respect of which a meeting has been, or is to be, called and to the holders of those Bonds, respectively;
- 1.3 “**agent**” means a holder of a Voting Certificate or a proxy for, or representative of, a Bondholder;
- 1.4 “**Block Voting Instruction**” means a document issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 8;
- 1.5 “**Electronic Consent**” has the meaning set out in paragraph 30.1;
- 1.6 “**Extraordinary Resolution**” means a resolution passed (a) at a meeting of Bondholders duly convened and held in accordance with this Schedule 1 (*Provisions on meetings of Bondholders*) by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;
- 1.7 “**Ordinary Resolution**” means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50 per cent. of the votes cast;
- 1.8 “**Recognised Accountholder**” means an entity recognised as account holder in accordance with the Belgian Companies Code with whom a Bondholder holds Bonds on a securities account;
- 1.9 “**Securities Settlement System**” means the securities settlement system operated by the NBB or any successor thereto;
- 1.10 “**Voting Certificate**” means a certificate issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 7;
- 1.11 “**Written Resolution**” means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Bonds outstanding; and
- 1.12 references to persons representing a proportion of the Bonds are to Bondholders, proxies or representatives of such Bondholders holding or representing in the aggregate at least that proportion in nominal amount of the Bonds of that series for the time being outstanding.

### General

#### 2 All meetings of Bondholders will be held in accordance with the provisions set out in this Schedule.

- 2.1 For so long as the relevant provisions relating to meetings of bondholders of the Belgian companies code of 7 May 1999 (the “**Existing Code**”), cannot be derogated from, where any provision of this Schedule would conflict with the relevant provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.
- 2.2 Where any of the provisions of this Schedule would be illegal, invalid or unenforceable, that will not affect the legality, validity and enforceability of the other provisions of this Schedule.

### **Extraordinary Resolution**

3 A meeting shall, subject to the Conditions and (except in the case of sub-paragraph 3.5) only with the consent of the Issuer and without prejudice to any powers conferred on other persons by this Schedule, have power by Extraordinary Resolution.

- 3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);
- 3.2 to assent to any modification of this Schedule or the Bonds proposed by the Issuer or the Domiciliary Agent;
- 3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 3.5 to appoint any persons (whether Bondholders or not) as a committee or committees to represent the Bondholders' interests and to confer on them any powers (or discretions which the Bondholders could themselves exercise by Extraordinary Resolution);
- 3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Bonds or to approve the exchange or substitution of the Bonds into shares, bonds or other obligations or securities of the Issuer or any other person, in each case in circumstances not provided for in the Conditions or in applicable law; and
- 3.7 to accept any security interests established in favour of the Bondholders or a modification to the nature or scope of any existing security interest or a modification to the release mechanics of any existing security interests,

provided that the special quorum provisions in paragraph 18 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 3.6 or for the purpose of making a modification to the Conditions, the Bonds or this Schedule which would have the effect (other than in accordance with the Conditions or pursuant to applicable law):

- (i) to amend the dates of maturity or redemption of the Bonds or date for payment of interest or interest amounts;
- (ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;
- (iii) to assent to a reduction of the nominal amount of the Bonds or a modification of the conditions under which any redemption, substitution or variation may be made;
- (iv) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment in circumstances not provided for in the Conditions;
- (v) to change the currency of payment of the Bonds;
- (vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution; or
- (vii) to amend this proviso.

### **Ordinary Resolution**

- 4 Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Bondholders shall have power by Ordinary Resolution:
- 4.1 to assent to any decision to take any conservatory measures in the general interest of the Bondholders;
  - 4.2 to assent to the appointment of any representative to implement any Ordinary Resolution; or
  - 4.3 to assent to any other decisions which do not require an Extraordinary Resolution to be passed.

Any modification or waiver of any of the Conditions shall always be subject to the consent of the Issuer.

### **Convening a meeting**

- 5 The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Bondholders holding at least 10 per cent. in principal amount of the Bonds for the time being outstanding. Every meeting shall be held at a time and place approved by the Domiciliary Agent.
- 6 Convening notices for meetings of Bondholders shall be given to the Bondholders in accordance with Condition 11 (*Notices*) not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting and the nature of the resolutions to be proposed and shall explain how Bondholders may appoint proxies or representatives obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

### **Arrangements for voting**

- 7 A Voting Certificate shall:
- 7.1 be issued by a Recognised Accountholder or the Securities Settlement System;
  - 7.2 state that on the date thereof (i) the Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and blocked by it and (ii) that no such Bonds will cease to be so held and blocked until the first to occur of:
    - 7.2.1 the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and
    - 7.2.2 the surrender of the Voting Certificate to the Recognised Accountholder or the Securities Settlement System who issued the same; and
  - 7.3 further state that until the release of the Bonds represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Bonds represented by such certificate.
- 8 A Block Voting Instruction shall:
- 8.1 be issued by a Recognised Accountholder or the Securities Settlement System;
  - 8.2 certify that the Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of:

- 8.2.1 the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
  - 8.2.2 the giving of notice by the Recognised Accountholder or the Securities Settlement System to the Issuer, stating that certain of such Bonds cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;
  - 8.3 certify that each holder of such Bonds has instructed such Recognised Accountholder or the Securities Settlement System that the vote(s) attributable to the Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing 48 hours prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;
  - 8.4 state the principal amount of the Bonds so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and
  - 8.5 naming one or more persons (each hereinafter called a “proxy”) as being authorised and instructed to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in 8.4 above as set out in such document.
- 9 If a holder of Bonds wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must block such Bonds for that purpose at least 48 hours before the time fixed for the meeting to the order of the Domiciliary Agent with a bank or other depository nominated by the Domiciliary Agent for the purpose. The Domiciliary Agent or such bank or other depository shall then issue a Block Voting Instruction in respect of the votes attributable to all Bonds so blocked.
- 10 No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.
- 11 The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Bondholder.
- 12 Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Bonds held to the order or under the control and blocked by a Recognised Accountholder or the Securities Settlement System and which have been deposited at the registered office at the Issuer not less than 48 hours before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Bonds continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Bonds to which such Voting Certificate or Block Voting Instruction relates.
- 13 In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.
- 14 A corporation which holds a Bond may, by delivering at least 48 hours before the time fixed for a meeting to a bank or other depository appointed by the Domiciliary Agent for such purposes a certified copy of a resolution of its directors or other governing body or another certificate evidencing due authorization (with, in each case,

if it is not in English, a translation into English), authorize any person to act as its representative (a “representative”) in connection with that meeting.

**Chairman**

- 15 The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Bondholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Bondholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

**Attendance**

- 16 The following may attend and speak at a meeting of Bondholders:
  - 16.1 Bondholders and their respective agents, financial and legal advisers;
  - 16.2 the chairman and the secretary of the meeting;
  - 16.3 the Issuer and the Domiciliary Agent (through their respective representatives) and their respective financial and legal advisers; and
  - 16.4 any other person approved by the Meeting.

No one else may attend or speak.

**Quorum and Adjournment**

- 17 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Bondholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.
- 18 One or more Bondholders or agents present in person shall be a quorum:
  - 18.1 in the cases marked “No minimum proportion” in the table below, whatever the proportion of the Bonds which they represent
  - 18.2 in any other case, only if they represent the proportion of the Bonds shown by the table below.

Purpose of meeting	Any meeting except for a meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum
	Required proportion	Required proportion
To pass a special quorum resolution	75 per cent.	25 per cent.
To pass any Extraordinary Resolution	A clear majority.	No minimum proportion
To pass an Ordinary Resolution	10 per cent.	No minimum proportion

- 19 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 17.
- 20 At least ten days' notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

### **Voting**

- 21 Each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more persons representing 2 per cent. of the Bonds.
- 22 Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
- 23 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 24 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 25 On a show of hands or a poll every person has one vote in respect of each nominal amount equal to the minimum Specified Denomination of the Bonds so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
- 26 In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

### **Effect and Publication of an Extraordinary and an Ordinary Resolution**

- 27 An Extraordinary Resolution and an Ordinary Resolution shall be binding on all the Bonds, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Ordinary Resolution or an Extraordinary Resolution to Bondholders within fourteen days but failure to do so shall not invalidate the resolution.

### **Minutes**

- 28 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
- 29 The minutes must be published on the website of the Issuer within fifteen (15) days after they have been passed.

### **Written Resolutions and Electronic Consent**

- 30 For so long as the Bonds are in dematerialised form and settled through the Securities Settlement System, then in respect of any matters proposed by the Issuer:

30.1 Where the terms of the resolution proposed by the Issuer have been notified to the Bondholders through the relevant clearing system(s) as provided in sub-paragraphs 30.1.1 and/or 30.1.2, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Domiciliary Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding (the “**Required Proportion**”) by close of business on the Relevant Date (“**Electronic Consent**”). Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

30.1.1 When a proposal for a resolution to be passed as an Electronic Consent has been made, at least fifteen days’ notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the “**Relevant Date**”) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

30.1.2 If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Domiciliary Agent. Alternatively, the Issuer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as determined by the Issuer. Such notice must inform Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 30.1.1 above. For the purpose of such further notice, references to “**Relevant Date**” shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 6 above, unless that meeting is or shall be cancelled or dissolved.

30.2 To the extent Electronic Consent is not being sought in accordance with paragraph 30.1, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Bondholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Bondholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. For the purpose of determining whether a resolution in writing has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the clearing system(s) with entitlements to the Bonds or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the Securities Settlement System, Euroclear, Clearstream or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant

consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of Bonds is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

- 31 A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Bondholders whether or not they participated in such Written Resolution and/or Electronic Consent.



## FORM OF THE BONDS

The Bonds will be issued in dematerialized form (*gedematerialiseerd/dématérialisé*) in accordance with the Belgian Companies Code and cannot be physically delivered. The Bonds will be represented exclusively by book-entries in the records of the Securities Settlement System operated by the NBB. There are no bearer certificates, whether in global or definitive form.

The Securities Settlement System maintains securities accounts in the name of authorized participants only. Bondholders therefore will normally not hold their Bonds directly at the NBB, but will hold them on a securities account with a financial institution which is a participant in the Securities Settlement System, or which holds them through another financial institution which is such a participant. The Belgian Companies Code contains provisions aimed at protecting the Bondholders in the event of the insolvency of a financial institution through which the Bonds are held in the system. The Bonds held in the name of such financial institution with the Securities Settlement System or another financial institution which is participant to the Securities Settlement System are then to be returned to the respective Bondholders, are not part of the insolvent financial institution's assets, and are not available to the creditors of that financial institution.

Most credit institutions established in Belgium are participants in the Securities Settlement System. Euroclear and Clearstream are also authorized participants. Investors can thus hold their Bonds on securities accounts in Euroclear and Clearstream in the same way as they would for any other types of securities. For practical purposes, the fact that the Bonds are ultimately held by Euroclear and Clearstream in the Securities Settlement System is immaterial, and the Bonds can be held and cleared in Euroclear and Clearstream in accordance with the usual procedures. Certain types of Belgian investors (being those that are not eligible for holding "exempt-accounts" — see Section "Taxation" below), however, may not hold their Bonds through Euroclear or Clearstream (save if they do so through another intermediary financial institution which is also a participant in the Securities Settlement System and which will be responsible for the withholding of tax).

The Securities Settlement System offers a "delivery against payment" settlement service in respect of the Bonds. Similarly, payments of interest and principal owing under Bonds will be made through the NBB.

The clearing and settlement systems of the NBB, Euroclear and Clearstream function under the responsibility of their respective operators. The Issuer and the Domiciliary Agent shall have no responsibility in this respect.

## **USE OF PROCEEDS**

The net proceeds of the issue of Bonds will be used by the Issuer for the general corporate purposes of the Group, including the possible repayment of other subordinated indebtedness.

## DESCRIPTION OF THE ISSUER

### General overview

Solvay SA (“**Solvay**”) is an advanced materials and specialty chemicals company, committed to developing chemistry that addresses key societal challenges. Solvay innovates and partners with customers worldwide in many diverse end markets. Its products are used in planes, cars, batteries, smart and medical devices, as well as in mineral and oil and gas extraction, enhancing efficiency and sustainability. Its lightweighting materials promote cleaner mobility, its formulations optimize the use of resources and its performance chemicals improve air and water quality. It carries out its business under the name of Solvay.

Solvay SA is a publicly traded company. It is listed on Euronext Brussels under the symbol “SOLB” and forms part of the BEL20 index.

Headquartered in Brussels, Belgium, Solvay has approximately 135 industrial sites and a presence in 61 countries across Latin America, North America, Europe, and Asia and the rest of the world.

### Strategy

Solvay aims to participate in the reshaping of the global chemical industry and the development of a model of chemistry that addresses society’s sustainability challenges while striving to become a high-growth, higher margin and less cyclical company.

2017 marked the opening of a new chapter in the history of Solvay as it reached a key milestone in its transformation. With its portfolio upgrade largely completed, Solvay is now focusing on the next step in its journey: fostering cultural change throughout the organization and speeding up its transformation thanks to digital, seeking to make Solvay more agile and customer-focused, with the capacity to innovate faster.

### New profile

#### *More global*

Solvay has strengthened its geographic footprint. Each of the three key regions – the Americas, Europe, and Asia – generates around one third of the Group’s net sales. Such balanced geographic distribution reduces the impact of adverse regulatory, economic, and political developments.

#### *More balanced*

More than one half of the Group’s activities take place in markets expanding faster than growth in gross domestic product. The portfolio transformation reached a key milestone in 2017, with the Group scaling back cyclical and low-growth businesses and divesting the polyamides business. By addressing a more diverse range of market segments, Solvay is able to reduce its exposure to negative evolutions on its markets.

#### *More specialty*

The breakdown of Solvay’s sales in the first nine months of 2018 was 43% Advanced Materials, 30% Advanced Formulations, and 27% Performance Chemicals. Roughly 70% of its net sales are generated by its specialty clusters. Its activities are complementary: Solvay operates a business model based on two growth engines (Advanced Materials and Advanced Formulations), backed up by a resilient cash contributor (Performance Chemicals) which enables it to generate cash to finance innovation.

#### *More sustainable*

In 2017, 49% of Solvay’s product portfolio consists of sustainable solutions for its customers, well on the way to exceeding Solvay’s target of 50% by 2025, according to its Sustainable Portfolio Management (SPM)

methodology. SPM is a tool that helps Solvay identify opportunities which will have a positive impact on its performance. It has enabled Solvay to reorient its activities toward more sustainable and expanding markets.

## **Priorities for the future**

### ***Delivering on its objectives***

Solvay is on track to deliver on its mid-term financial and extra-financial objectives; the growth and return on investment which it generates will ensure that it creates sustainable value for its stakeholders. Solvay aspires to deliver superior profit growth, allocate capital attentively, and maintain strong working capital discipline to grow cash generation and returns.

### ***Strengthening its management model***

After focusing on upgrading its business portfolio, Solvay's next challenge consists in adapting its organization to make it simpler, more agile, and more outward-looking, and thus better meet its customers' expectations. Solvay is transforming the way it works, adapting its employees' behaviors, driving a deep cultural change throughout the organization. This cultural change is based on customer focus, collaboration and entrepreneurship. Furthermore, the digital transformation is under way, and there are already clear benefits. Digital technologies will be an enabler for its transformation, boosting excellence in human resources, marketing and sales, supply chain, and industrial.

### ***Generating organic and sustainable growth***

The transformation of the organization will strengthen its business model, supporting the rapid growth and the innovation capabilities of its Global Business Units. It will not only provide Solvay with the ability and agility to develop market-oriented competitive solutions for its customers, it will also enable disruptive innovation and the creation of significant synergies at Group level. Solvay is focusing primarily on its specialty clusters – Advanced Materials and Advanced Formulations – and targeting organic EBITDA growth (excluding foreign exchange and scope effects). Growth in these sectors is underpinned by innovation, its technological leadership, and its presence across diversified markets.

## **History**

Solvay was founded in 1863 and has been growing organically and through targeted acquisitions and divestments since then. Solvay SA was first listed on the Brussels stock exchange (now Euronext Brussels) in 1967. Major corporate events in the last five years are described below.

In 2010, the Group took the decision to divest its pharmaceuticals branch to focus on the chemicals industry, in particular on two areas: chemicals and plastics. In 2011, it launched a friendly takeover bid for the French chemical company Rhodia S.A. (“**Rhodia**”), successfully completing the acquisition for €4.0 billion in September 2011 and swiftly integrating Rhodia's business lines and adopting elements of its corporate culture into what became the Solvay Way, Solvay's approach to corporate social responsibility.

In 2012, the Group instituted its transformation plan, pursuant to which it continued to pursue its focus on the chemicals industry. In October 2013, Solvay acquired the privately-held U.S. company Chemlogics for US\$1.3 billion, doubling Solvay's U.S.-based oil and gas market capacity.

On July 31, 2014, Solvay announced the signature of a binding agreement to sell its sulfuric acid virgin production and regeneration business Eco Services to affiliates of CCMP Capital Advisors, LLC. The transaction terms corresponded to an enterprise value of US\$890 million. The Eco Services business was sold on December 1, 2014, resulting in proceeds of €721 million.

On December 31, 2014, Solvay completed the acquisition of the Ryton® PPS (polyphenylene sulphide) business from U.S.-based petrochemical company Chevron Phillips Chemical Company for US\$220 million, expanding its offering of high-performance polymers and entering a solid growth market. This acquisition is part of Solvay's strategic development into a more specialized solutions provider, delivering higher growth and greater returns while reducing cyclicalities.

In 2015, Solvay acquired Cytec for US\$75.25 per share, or approximately US\$5.5 billion, in order to deliver cost synergies and capture significant business opportunities in advanced lightweighting materials for the aerospace and automotive industries and in specialty chemicals for mining.

In 2016, Solvay divested its shares in Inovyn, a chlorovinyls joint venture it had set-up with Ineos, and in Solvay Indupa, producers of PVC and caustic soda in Brazil and Argentina. In 2017, Solvay sold its stake in its Thai subsidiary Vinythai and completed the sale of Acetow, which is active in the cellulose acetate tow business. Furthermore, Solvay launched the divestment of its polyamide business, a crucial step in Solvay's transformation towards a multi-specialty chemicals company. The expected net cash proceeds of the divestment are estimated to be around EUR 1.1 billion. Please also refer to the press releases relating to this divestment which are incorporated by reference in this Prospectus.

## **Business overview**

Solvay is currently organized into four operating segments, each with a business model that responds to its specific growth dynamics and competitive challenges. These are further subdivided into Global Business Units (or GBUs) which are run as separate businesses directly responsible for delivering results, reflecting Solvay's decentralized management system. The four operating segments are:

- *Advanced Materials*: As a leader in markets with high entry barriers and strong returns on investment, Advanced Materials offers high-performance materials for multiple applications primarily in the automotive, aerospace, electronics, and health markets. In particular, it provides sustainable mobility solutions, reducing weight and improving CO<sub>2</sub> and energy efficiency.
  - *Specialty Polymers*: With over 1,500 products, Specialty Polymers offers the widest range of high performance polymers in the world, allowing tailor-made solutions such as pushing the limits of metal replacement in the electronics, automotive, aircraft, and healthcare industries. The GBU has unparalleled expertise in three technologies: aromatic polymers, high barrier polymers and fluoropolymers.
  - *Composite Materials*: Composite Materials is a top-tier supplier to the aerospace engineered materials market known for its expertise in design materials and process engineering to deliver innovative customer solutions that maximize technology capability and simplify manufacturing. We deliver optimal material solutions to address Solvay's customer's most challenging demand for new high-performance materials to improve durability and production. Besides the aeronautics sector it also serves applications in wind energy, sports, sailing boats, and notably automotive, where the light-weighting properties create substantial development potential.
  - *Special Chem*: Special Chem produces fluor and rare-earth formulations for automotive, semi-conductor, and lighting applications. With its industrial know-how, global presence, and R&I proximity, Special Chem has positioned itself as a strategic partner for the automotive sector as a producer of materials used in emission control catalysis and aluminum brazing, and as a producer of cleaning and polishing materials for electronics.

- Silica: Silica focuses on highly dispersible silica, used primarily in fuel-efficient and performance tires. It develops innovative solutions for global tire manufacturers, as well as Silica ranges for many other market segments, such as toothpaste, food, industrial products, and rubber articles.
- *Advanced Formulations*: As one of Solvay's growth engines, the Advanced Formulations serves primarily the consumer goods, agro and food, and energy markets. It offers customized specialty formulations that impact surface chemistry and alter liquid behavior to optimize efficiency and yield, while minimizing environmental impact.
  - Novacare: Novacare develops and produces formulations that alter the properties of liquids. It offers solutions to the oil and gas industry using the world's largest chemicals portfolio. Novacare also provides specialty solutions for certain industrial applications, agricultural, and coatings markets.
  - Technology Solutions: Technology Solutions is a global leader in specialty mining reagents, phosphine-based chemistry, and solutions for stabilization of polymers. Its portfolio includes world class, leading-edge technologies and unrivalled technical service and applications expertise that support Solvay's customers in developing tailor-made solutions, in particular for mining, where Solvay's products allow customers to extract metal concentrates from increasingly more complex and depleted ores.
  - Aroma Performance: Aroma Performance is the world's largest integrated producer of vanillin for the food and flavors & fragrances industries and for synthetic intermediates used in perfumery, pharmaceuticals, agrochemicals, and electronics.
- *Performance Chemicals*: Performance Chemicals operates in mature and resilient markets and has leading positions in chemical intermediates. Success is based on economies of scale and state-of-the-art production technology. It serves mainly the consumer goods and food markets. As from the third quarter of 2017, Performance Chemicals also encompasses the remaining business activities previously included in the Functional Polymers segment: following the signing of the binding agreement with German chemical company BASF for the sale of its Polyamides business in September 2017, those polyamide activities, which constituted the major part of Functional Polymers, were reclassified to discontinued operations. Comparative periods have been reworked accordingly: fourth quarter 2016 net sales increased by €22 million and underlying EBITDA by €2 million; full year net sales went up €121 million and underlying EBITDA €23 million.
  - Soda Ash & Derivatives: Soda Ash & Derivatives is the world's largest producer of soda ash and sodium bicarbonate, sold primarily to the flat and container glass industries but also used in detergents, agro, and food industries. It provides resilient profitability thanks to good pricing, dynamics growing at mid-single digit rate, underpinned by high-quality assets.
  - Peroxides: Solvay is the market leader in hydrogen peroxide, both in market share and technology. Hydrogen peroxide (H<sub>2</sub>O<sub>2</sub>) is used mainly by the paper industry to bleach pulp. Its properties are also of interest to many markets, such as chemicals, food, textiles, and the environment.
  - Coatis: Coatis is a provider of glycerine-based sustainable solvents solutions and specialty phenols mainly for the Latin American market. It enjoys an undisputed market leadership position in Brazil for Phenol & Derivatives used in the production of synthetic resins employed in foundries, construction, and abrasives.

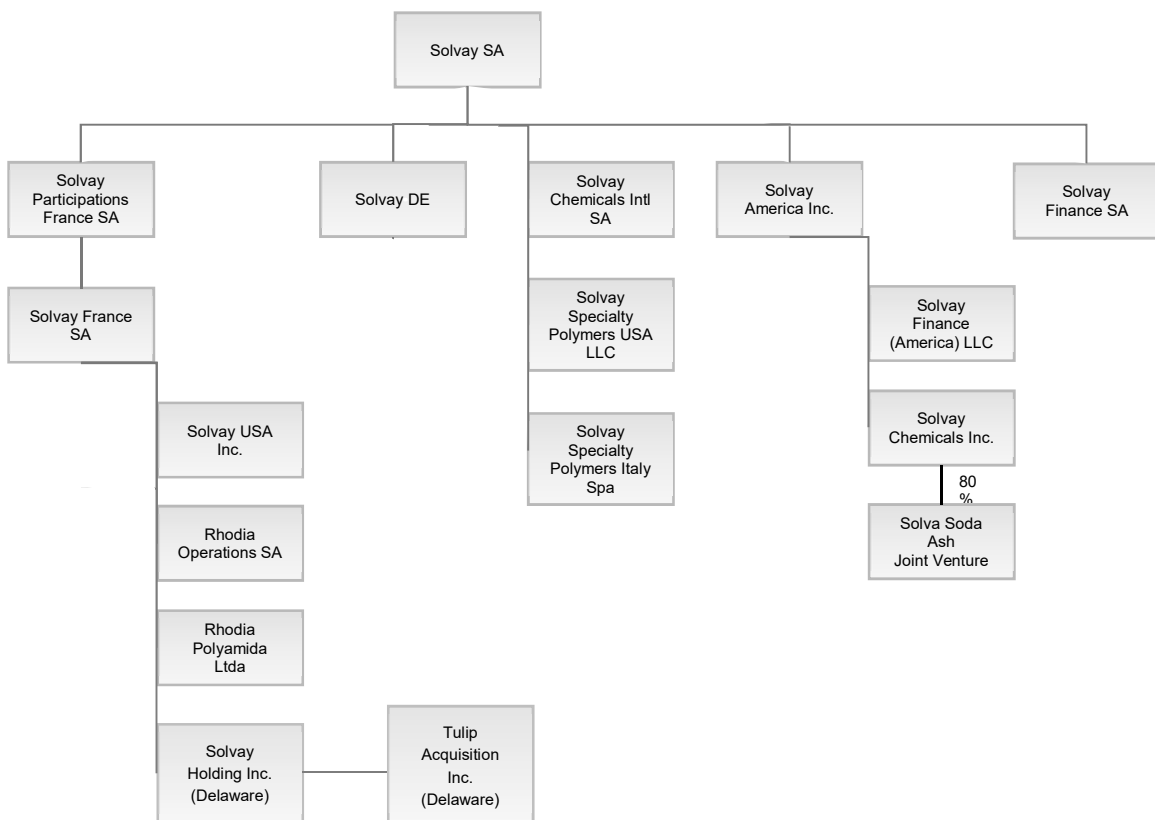
- *Corporate & Business Services*: Corporate & Business Services includes corporate and other business services, such as the Research & Innovation Center. It also incorporates the Energy Services GBU, whose mission is to optimize energy consumption and reduce CO2 emissions.

Each of the GBUs within an operating segment is responsible for its own business, including production, sales, and research and innovation (R&I).

### Organizational structure

The Company operates its business through several direct and indirect wholly owned subsidiaries. The Company is the direct or indirect parent company of these subsidiaries.

The diagram below shows a simplified legal structure of the Solvay Group, reflecting an overview of Solvay’s main subsidiaries. For a list of Solvay’s subsidiaries, companies accounted for under the equity method and associates, as well as a list of joint arrangements including joint operations and joint ventures, see the 2017 Consolidation Scope in the 2017 consolidated financial statements contained herein.



### Legal and arbitration proceedings

Solvay is exposed to disputes, litigation and judicial or administrative proceedings in the ordinary course of its business. The Group is exposed to legal risk, particularly in the areas of product liability, contractual obligations, antitrust laws, patent disputes, tax assessments and environmental matters. In this context litigation cannot be avoided and is sometimes necessary to defend the rights and interests of the Group.

The outcome of proceedings cannot be predicted with certainty. It is therefore possible that adverse final court decisions or arbitration awards could lead to liabilities (and expenses) that are not covered or not fully covered by provisions or insurance and could materially affect the revenues and earnings of the Group.

Ongoing legal proceedings involving the Solvay group currently considered to involve significant risks are outlined below. The legal proceedings described below do not represent an exhaustive list. The fact that

litigation proceedings are reported below is without relation to the merits of the cases. In all the cases cited below, Solvay is defending itself vigorously and believes in the merits of its defenses.

For certain cases, Solvay has established provisions in accordance with applicable accounting principles to cover its assessment of the financial risk and defense costs. These assessments can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. Solvay's assessments are based on estimates and assumptions that have been deemed reasonable by management. Management believes that the aggregate provisions recorded for these matters are adequate based upon currently available information. However, given the inherent uncertainties related to these cases and in estimating contingent liabilities, Solvay could, in the future, incur judgments that have a material adverse effect on its results of operations in any particular period.

In addition, in the normal course of business, the Group may be subject to audits by the tax authorities in the countries in which it operates. Those audits could result in additional tax liabilities and payments, including penalties for late payment and interest.

Except as set forth below, there have been no governmental, judicial or arbitration proceedings (including any such proceedings which are pending or threatened of which Solvay is aware) during a period covering twelve months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on Solvay's financial position and profitability.

#### ***Antitrust proceedings***

In 2006, the European Commission imposed fines against Solvay (including Ausimont SpA, acquired by Solvay in 2002) for alleged breaches of competition rules in the peroxygens market for which Solvay was fined.

Joint civil lawsuits were filed before the Court of Dortmund (Germany) in 2009 against Solvay and other manufacturers based on an alleged antitrust violation, claiming damages from the manufacturers on a joint and several basis. The value of the claims reduced after several settlements is worth €63 million (excluding interest) as at 31 December 2017 after settlements were reached between the plaintiff and most of the defendants. Several questions on the jurisdiction of the Court of Dortmund have been submitted to the European Court of Justice, and proceedings before the Court of Dortmund are pending.

In Brazil, CADE (the Brazilian antitrust authority) issued fines against Solvay and others in May 2012 relating to Hydrogen Peroxide activity and in February 2016 related to perborate activity (Solvay's shares of these fines amount to €29.6 million and €3.99 million respectively). Solvay has filed a claim contesting these administrative fines before the Brazilian Federal Court.

#### ***HSE related proceedings***

In October 2009, the public prosecutor of the Criminal Court of Alessandria (Italy) charged several individuals (including employees and former employees of Solvay and Ausimont SpA, now Solvay Specialty Polymers Italy – SSPI) in relation to alleged criminal violations of environmental laws and public health legislation. The provisional claims of civil parties admitted to the trial amounted to about €105 million as at 31 December 2017.

In December 2015 the Assize Court of Alessandria sentenced three local Solvay/SSPI Managers to imprisonment and awarded civil damages of around €400,000.

Appeal was lodged by all parties before the Assize Court of Appeal of Turin which rendered its decision in June 2018 confirming: 1) acquittal of two SSPI Managing Directors; 2) sentence of three Solvay/SSPI Managers reduced to 1 year and 8 months imprisonment, these to now be suspended sentences; 3) damages to €400,000 to civil parties, with rejection of other civil claims; 4) dismissal of charge of remediation omission; 5) SSPI not liable for damages to Alessandria Municipality. Term for lodging further appeal before the Cassation Court is still pending.



As of the end of 2016, seventeen civil proceedings have been brought before the Civil Court of Livorno (Italy) by past workers and relatives of deceased workers at the Rosignano site seeking damages (provisionally quantified at €9 million) in relation to diseases allegedly caused by exposure to asbestos. Three of the seventeen proceedings have been dismissed so far.

### ***Pharmaceutical activities (discontinued)***

In the context of the sale of the pharmaceutical activities in February 2010, the contractual arrangements have defined terms and conditions for the allocation and sharing of liability arising out of the activities before the sale.

Subject to limited exceptions, Solvay's exposure for indemnifications to Abbott for liabilities arising out of sold activities is limited, as at 31 December 2017, to an aggregate amount representing €500 million and is limited in duration.

This includes indemnification against certain potential liabilities for the US testosterone replacement therapy (TRT) litigation focusing on the drug ANDROGEL®. These claims are proceeding at varying rates of resolution.

## **Management and corporate governance**

### **Administrative, management, supervisory bodies and senior management structure**

The management structure of Solvay is composed of a Board of Directors and an Executive Committee chaired by the Chief Executive Officer.

### **Board of Directors**

#### ***Powers and Responsibilities of the Board***

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of Solvay's purpose, except for those actions that are specifically reserved by law or the Articles of Association to the Shareholders' Meeting or other management bodies.

In particular, the Board is responsible for:

- matters for which it has exclusive responsibility, either by law or under the by-laws, for example:
  - the preparation and approval of the consolidated and unconsolidated periodic financial statements and the related communications;
  - adoption of accounting standards (in this case the IFRS standards for the consolidated accounts and Belgian standards for the Solvay unconsolidated accounts);
  - convening Shareholders' Meetings and drawing up the agenda and proposals for resolutions to be submitted to them (concerning, for example, Company financial statements, dividends, amendments to the by-laws, etc.);
- setting the general strategies and general policies of the Group, taking into account the sustainable development model and objectives adopted by the Group;
- approving the reference frameworks for internal control and for risk management;
- adopting the budget and long-term plan, including investments, R&I and financial objectives;

- appointing the Chairman, the members of the Executive Committee, the General Managers and the Corporate Secretary, and setting their missions and the extent of the delegation of powers to the Executive Committee;
- supervision of the Executive Committee and ratification of its decisions, where required by law;
- appointing from among its members a Chairman and creating from among its members an Audit Committee, a Compensation Committee, a Nomination Committee and a Finance Committee, defining each Committee's mission and determining its composition and its duration;
- major decisions concerning acquisitions, divestitures, the creation of joint ventures and investments. Major decisions are considered to be those involving amounts of € 50 million or more;
- setting the compensation of the Chairman of the Executive Committee and of the Executive Committee members;
- establishing internal Corporate Governance and Compliance rules.

The Board of Directors has reserved certain key areas for itself and has delegated the remainder of its powers to an Executive Committee

### ***Composition of the Board of Directors***

Pursuant to the Articles of Association, the Board of Directors must be comprised of at least five members. As of the date of this Prospectus, the Board of Directors comprises sixteen members.

Pursuant to the Corporate Governance Code, at least half of the directors should be non-executive and a large majority of the non-executive directors should be independent in accordance with the criteria defined by law and the Corporate Governance Code. The composition of the Board of Directors effective as of the date of the Prospectus complies with these recommendations.

Pursuant to the Corporate Governance Code, the Chairperson of the Board of Directors and the CEO should not be the same individual and the Chairperson should be a non-executive director. The composition of the Board of Directors effective as of the date of this Prospectus complies with these recommendations.

After seeking the opinion of the Nomination Committee, the Board of Directors submits directors' appointments, renewals, resignations or dismissals to the Ordinary Shareholder's Meeting. The Ordinary Shareholders' Meeting appoints directors for a term of four years. The upper age limit for the directors is 70.

The current Board of Directors is composed of the following sixteen directors:

<b>Name</b>	<b>Year of birth</b>	<b>Position</b>	<b>Director since</b>	<b>Mandate expires</b>
Nicolas Boël	1962	Chairman <sup>(1)</sup>	1998	2021
Jean-Pierre Clamadieu	1958	Chief Executive Officer	2012	2021
Bernard de Laguiche	1959	Non-Executive Director	2013	2021
Jean-Marie Solvay	1956	Non-Executive Director	1991	2020
Charles Casimir-Lambert	1967	Independent Director	2007	2019
Hervé Coppens-d'Eeckenbrugge	1957	Independent Director	2009	2021
Yves-Thibault de Silguy	1948	Independent Director	2010	2019

Evelyn du Monceau	1950	Independent Director	2010	2021
Françoise de Viron	1955	Independent Director	2013	2021
Amparo Moraleda Martinez	1964	Independent Director	2013	2021
Rosemary Thorne	1952	Independent Director	2014	2022
Gilles Michel	1956	Independent Director	2014	2022
Marjan Oudeman	1958	Independent Director	2015	2019
Agnès Lemarchand- Poirier	1954	Independent Director	2017	2021
Philippe Tournay	1959	Independent Director	2018	2022
Matti Lievonon	1960	Independent Director	2018	2022

Note:

(1) Chairman since 2012 and non-executive director prior to that date.

The business address for all of the directors is rue de Ransbeek/Ransbeekstraat 310, 1120 Brussels, Belgium.

#### ***General Information on the Directors***

The directors hold the following directorships (apart from their directorships of Solvay or its subsidiaries) and memberships of administrative, management or supervisory bodies and/or partnerships:

<b>Name</b>	<b>Position</b>
Nicolas Boël	Director of Sodavi Director and Member of the Nomination and Remuneration Committees of Sofina SA Non-Executive Chairman of the Board of Directors of SAMIC SA Director of Domanoy SA Managing Director of BMF Participation SA Non-Executive Member of the “Comité de gestion” of the Musée Royal de Mariemont Board Member of the “Cercle Royal des Amis de Mariemont” Board Member of GUBERNA Board Member of Fondation Saint Luc Board Member of the International Solvay Institutes
Jean-Pierre Clamadieu	Director of Axa Director of Faurecia Chairman of the Board of Directors of Engie Board Member of Airbus
Bernard de Laguiche	Managing Director of Solvac Chairman of the Board of Peroxidos do Brasil Chief Executive Officer of Sisprodent Ltda Owner of Agromercantil Vila Rica Ltda

Jean-Marie Solvay	<p>Chairman of the Board of the International Solvay Institutes</p> <p>Chief Executive Officer of Albrecht RE Immobilien GmbH&amp;Co KG</p> <p>Chief Executive Officer of Memling Immobilien GbR</p> <p>Director of Heliocentris Energy Solutions AG</p> <p>Director of Innovation Fund SA</p>
Charles Casimir-Lambert	<p>Vice-president of the Board of Trustees of the Charles and Marjorie Holloway Foundation</p> <p>Management of family's global interests</p>
Hervé Coppens d'Eeckenbrugge	<p>Director of Patrimonia Finance SA</p> <p>Director of Global IC SA</p>
Yves-Thibault de Silguy	<p>Vice-Chairman and Lead Director of the VINCI group</p> <p>Director of LVMH</p> <p>Chairman of the Supervisory Board of Sofisport</p> <p>Director of VTB bank (Moscow)</p> <p>Chairman of YTSeuropaconsultants</p>
Evelyn du Monceau	<p>Vice Chair of the Board and Chair of the Governance, Nomination and Compensation Committee of UCB SA</p> <p>Member of the Board of Directors of La Financière de Tubize SA</p> <p>Director of FBNet Belgium</p> <p>Member of the Commission Corporate Governance</p>
Françoise de Viron	<p>Academic Member of the Center of Research Entrepreneurial Change and Innovative Strategies, of Interdisciplinary Group of Research in Socialization</p> <p>Education and Training of the Interdisciplinary Research Group in Adult Education at Université catholique de Louvain</p> <p>Director and President of EUCEN (European University Continuing Education Network)</p>
Amparo Moraleda Martinez	<p>Director and Member of the Nomination and Remuneration Committee of Faurecia</p> <p>Director and Member of the Executive Committee, Risk Committee, Nomination Committee and Chair of the Remunerations Committee of Caixabank</p> <p>Director and member of the Audit Committee of Airbus Group</p> <p>Member of the Supervisory Board of Consejo Superior de Investigaciones Cientificas</p> <p>Member of the Advisory Board of KPMG Spain</p> <p>Member of the Advisory Board of SAP Spain</p>
Rosemary Thorne	<p>Fellow of Chartered Institute of Management Accountants FCMA and CGMA</p> <p>Fellow of the Association of Corporate Treasurers FCT</p> <p>Independent Non-Executive Director and Chair of Audit Committee of Smurfit Kappa Group plc</p>

	Non-Executive Director and Chair of the Audit and Risk Committee of Llamabrook Plc <sup>(1)</sup>
Gilles Michel	Chairman and Chief Executive Officer of Imerys Non-Executive Director of GML-I
Marjan Oudeman	Director of Statoil ASA Director of SHV Holdings N.V. Director of Royal Ten Cate Member of the Supervisory Board of Koninklijke Concertgebouw Chairman of the Board of Ronald McDonald Children's Fund Member of the Supervisory Board of the Rijksmuseum
Agnès Lemarchand-Poirier	Director of Saint Gobain Director of BioMérieux
Philippe Tournay	Owner and Managing Director of Presa SA Vice President of Fondation Tournay Solvay
Matti Lievonon	Vice-Chairman of the Board and Member of the Nomination and Remuneration Committee of Fortum Member of the Board of SSAB Chairman of the Board of Chemical Industry Federation of Finland Member of the Supervisory Board of Ilmarinen Member of the Supervisory Board of HE Finnish Fair Corporation

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Note:

(1) Once authorized by the PRA and FCA, Llamabrook will become First Global Trust Bank Plc.

None of the directors has a potential conflict of interests between his/her duties to Solvay and his/her private interests and/or any other duties he or she may have.

## **Committees of the Board**

### ***General***

The Board of Directors is assisted by four Committees: the Audit Committee, the Finance Committee, the Compensation Committee and the Nomination Committee. These Committees do not have decision-making powers. They are advisory in nature and report to the board of Directors, which takes the decisions. Terms of office on the four Committees are for two years and are renewable.

### ***The Audit Committee***

The members of the Audit Committee are all non-executive Board members and at least a majority of them are independent Board members. The members of the Audit Committee as at the date of the Prospectus are Rosemary Thorne (Chairman), Marjan Oudeman, Charles Casimir-Lambert, Baron Hervé Coppins d'Eeckenbrugge and Agnès Lemarchand.

The main tasks of the Audit Committee include: (i) ensuring the conformity of financial statements and communications of Solvay and the Group to generally accepted accounting principles (IFRS for the Group; Belgian accounting standards for the parent company); (ii) monitoring the effectiveness of the Group's internal control systems and risk management; (iii) examining the areas of risk that can potentially have a material effect on the Group's financial situation; (iv) verifying the scope/programs and results of internal audit; (v) making a

proposal to the Board of Directors on the appointment of the external auditor; (vi) examining the scope of the external audit and the way it is implemented; and (vii) monitoring the scope and the nature of the additional services provided by the external auditor.

### ***The Finance Committee***

The members of the Finance Committee as at the date of the Prospectus are Nicolas Boël (Chairman), Jean-Pierre Clamadieu, Bernard de Laguiche, Baron Hervé Coppens d'Eeckenbrugge, Yves-Thibault de Silguy and Gilles Michel. The Chief Financial Officer is invited to attend the Finance Committee meetings.

The Committee gives its opinion on financial matters such as the amounts of the interim and final dividends, the levels and currencies of indebtedness in the light of interest rate developments, the hedging of foreign-exchange and energy risks, the hedging policy of the long term incentives plans, the content of financial communication, the financing of major investments. It finalizes the preparation of the press releases announcing the quarterly results. It may also be called on to give opinions on Board policies on these matters.

### ***The Compensation Committee***

The members of the Compensation Committee as at the date of the Prospectus are Nicolas Boël (Chairman), Jean-Marie Solvay, Yves-Thibault de Silguy, Evelyn du Monceau, Françoise de Viron, Amparo Moraleda and Gilles Michel. A majority of the members of this Committee have independent Director status within the meaning of the law. The Chairman of the Executive Committee is invited to meetings, except for matters that concern him personally. The meetings are prepared by the Group General Manager Human Resources, who attends the meetings.

The Compensation Committee fulfils the missions imposed on it by law. In particular, it advises the Board of Directors on compensation policy and compensation levels for members of the Board of Directors and the Executive Committee, and is yearly informed about the compensation of General Management. It also gives its opinion to the Board of Directors and/or Executive Committee on the Group's principal compensation policies (including long term incentive plans). It also prepares the report on compensation.

### ***The Nomination Committee***

The members of the Nomination Committee as at the date of the Prospectus are Yves-Thibault de Silguy (Chairman), Nicolas Boël, Jean-Marie Solvay, Evelyn du Monceau, Françoise de Viron, Amparo Moraleda and Gilles Michel. A majority of the members of the Nomination Committee are independent non-executive Directors. The Chairman of the Executive Committee is invited to meetings, except for matters that concern him personally.

The Nomination 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.

## **Executive Committee**

### ***Role and responsibilities, composition, structure and organization***

The Board of Directors has delegated the following powers to the Executive Committee:

- day-to-day management of the Company;
- overseeing the proper organization and functioning of the Company and the Group companies and ensuring oversight of their activities, in particular the introduction of a process for identification, management and control of the principal risks;

- introduction of a management process to find and retain talent and nominate senior executives for the Group (with the exception of its own members, General Managers and the Corporate Secretary, for which the Board of Directors expressly reserves exclusive power of appointment);
- compensation of the Group’s senior executives (other than compensation of its own members);
- decisions regarding acquisitions and divestitures (including of intellectual property), for which the maximum amount is set at € 50 million (debt and other commitments included). The Board of Directors is to be informed of any decision involving amounts over € 10 million;
- decisions on investment expenditures, for which the maximum amount is set at € 50 million. The Board of Directors is to be informed of decisions involving amounts over € 10 million;
- decisions on substantial commercial transactions and financial operations that do not imply any change in the financial structure of the Company and/or the Group;
- proposal to the Board of Directors, for its decision, of the principal policies of the Group and the setting of other policies;
- proposals to the Board of Directors for its decision:
  - general strategies (including the effect of these strategies on the budget, the plan and resource allocation) and general policies of the Group, in particular regarding compensation, annual investment program and research and taking into account the sustainable development model and objectives adopted by the Group,
  - the budget and the plan including investments, R&I and financial objectives,
  - appointment to General Manager positions and the position of Corporate Secretary,
  - general organization of the Company and/or the Group,
  - major financial transactions that modify the financial structure of the Company and/or the Group,
  - consolidated and unconsolidated periodic financial statements as well as related communications;
- implementation of decisions of the Board of Directors;
- submission to the Board of Directors of all questions lying within its competence and regular reports on the exercise of its mission.

The Executive Committee does not constitute a “*comité de direction*”/”*directiecomité*” within the meaning of Article 524bis of the Companies Code.

The Executive Committee is composed of seven members; each of them supervises a certain number of Global Business Units, departments or geographical regions.

Executive Committee members are appointed by the Board of Directors for two-year renewable terms. The Board of Directors has set an age limit of 65 for Executive Committee membership.

As at the date of the Prospectus, the Solvay Executive Committee consists of the following members:

<b>Name</b>	<b>Year of birth</b>	<b>Position</b>	<b>Year of first appointment</b>	<b>Term of office ends</b>
Jean-Pierre Clamadieu	1958	Chairman of the Executive Committee and CEO	2011	2019
Vincent De Cuyper	1961	Executive Committee member	2006	2020
Karim Hajjar	1963	Executive Committee member and CFO	2013	2019
Pascal Juéry	1965	Executive Committee member	2014	2020
Cécile Tandeau de Marsac	1964	Executive Committee member	2018	2020
Augusto Didonfrancesco	1959	Executive Committee member	2018	2020
Hua Du	1969	Executive Committee member	2018	2020

The business address for all of the members of the Executive Committee is rue de Ransbeek/Ransbeekstraat 310, 1120 Brussels, Belgium.

***General information on the members of the Executive Committee***

No member of the Executive Committee has any conflicts of interests between any duties he/she owes to the Company and any private interests and/or other duties.

The members of the Executive Committee hold the following directorships (apart from their directorships of Solvay or its subsidiaries) and memberships of administrative, management or supervisory bodies and/or partnerships:

<b>Name</b>	<b>Position</b>
Jean-Pierre Clamadieu	Director of Faurecia Director of Axa Chairman of the Board of Directors of Engie Board Member of Airbus
Vincent De Cuyper	/
Karim Hajjar	/
Pascal Juéry	/
Cécile Tandeau de Marsac	/
Augusto Didonfrancesco	/
Hua Du	/



## Corporate governance

As a company incorporated under Belgian law and listed on Euronext Brussels (and Euronext Paris), Solvay adheres to the principles and provisions of the Belgian Corporate Governance Code (in this section, the “Code”). The Code uses the “comply or explain” concept, which means that if a company chooses to deviate from any of the Code’s principles, it must explain its reasons for doing so in the “Corporate Governance” section of its annual report. Solvay has not adopted any rules departing from the principles of the Belgian Corporate Governance Code.

## Principal shareholder

### Shareholding structure

The following table shows the participations of Solvac SA (a company incorporated under Belgian law, the shares of which are admitted to trading on Euronext Brussels) and Solvay Stock Option Management SPRL (a company incorporated under Belgian law of which all shares are indirectly owned by Solvay) in the shareholding structure of Solvay SA as of and based on the number of shares outstanding on September 30, 2018. This is based on information available to the Company through notifications received in accordance with the Belgian Law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions (the “Transparency Law”).

	<b>Total number of shares held<sup>(1)</sup></b>	<b>% of voting rights</b>
Solvay shareholders		
Solvac SA .....	32,511,125	30.71
Solvay Stock Option Management SPRL .....	3,177,067	3.013
BlackRock Inc. .....	3,594,569	3.40
Free float .....	66,593,655	62.877
Total .....	<u>105,876,416</u>	<u>100</u>

Note:

- (1) The most recent notification made to the FSMA and to the Company in accordance with the Transparency Law in respect of Solvac SA is dated July 4, 2016, in respect of Solvay Stock Option Management SPRL is dated March 22, 2018 and in respect of BlackRock Inc. is dated September 25, 2018.

## Principal Shareholder

The Principal Shareholder of Solvay is Solvac SA, a company incorporated under Belgian law, listed on Euronext Brussels and a majority of whose shares (around 77%, as published on the website of Solvac as of

28 November 2018) are held by members of various branches of the founding families of Solvay. The Principal Shareholder has the same voting rights as any other holder of Shares.

Its shares, all of which are registered, may freely be held by physical persons and, subject to prior approval of the board of directors of Solvac SA, by certain categories of legal entities fulfilling specific conditions.

### **Shareholders' arrangements**

As of the date of this Prospectus and to the knowledge of Solvay, there is no shareholders' agreement in force related to Solvay.

### **Share capital**

As of the date of this Prospectus, the issued and paid-up share capital of Solvay amounted to €1,588,146,240 and was represented by 105,876,416 shares without nominal value, each Share representing 1/105,876,416rd of the share capital. All shares belong to the same class of securities.

### **Articles of association**

#### ***Corporate profile***

<b>Company name:</b>	Solvay SA
<b>Form:</b>	Public limited liability company incorporated in the form of a <i>société anonyme/naamloze vennootschap</i> under Belgian law
<b>Registered office:</b>	rue de Ransbeek/Ransbeekstraat 310 1120 Brussels Belgium
<b>Telephone number of registered office:</b>	+32 (2) 26 42 111
<b>Register of legal entities:</b>	No. 0403.091.220
<b>Date of incorporation:</b>	December 26, 1863
<b>Financial year:</b>	From January 1 to December 31

#### ***Corporate purpose***

According to Article 3 of its Articles of Association, Solvay's corporate purpose is the following:

To hold and manage, directly or indirectly, interests in companies, enterprises or entities whose purpose is directly or indirectly linked to the manufacturing, exploitation, marketing, research and development of industrial and commercial activities or services primarily but not exclusively in the chemicals sector, its different disciplines and specialties, and activities connected, derived from and incidental thereto as well as activities in the sector of the exploitation and processing of natural resources, in Belgium as well as abroad.

To conduct, both in Belgium and abroad, on its own behalf or on behalf of third parties, the manufacturing, exploitation, marketing, research and development, handling, processing, transportation and management activities in the business sectors noted above.

In general, it may exercise any commercial, industrial, financial or research operations, or those involving real or moveable property, in Belgium and abroad, with a direct or indirect connection or benefiting directly or indirectly the realization of its corporate purpose.

## Financing arrangements

The Group has entered into a number of financing arrangements in order to diversify its financing sources. This includes several bond issues, a EUR 2 billion multilateral revolving credit facility and bilateral revolving credit facilities for an aggregate amount of approximately EUR 1 billion with key international banking partners. Please also refer to the note F33 (*Net indebtedness*) of the 2017 annual report of the Issuer.

The table below provides an overview of the Group's major financial debt as at 31 December 2017 and 30 September 2018:

Major financial debt <sup>[1]</sup>	December 31, 2017			September 30, 2018		
	Face value	Average maturity <sup>[4]</sup>	Average cost <sup>[5]</sup>	Face value	Average maturity <sup>[4]</sup>	Average cost <sup>[5]</sup>
EUR bonds	1,632	5.5	2.67%	1,250	6.3	2.08%
EUR perpetual hybrid bonds <sup>[2]</sup>	2,200	4.1	5.07%	2,200	3.3	5.07%
USD bonds	1,634 <sup>[3]</sup>	5.7	3.88%	1,692 <sup>[3]</sup>	4.9	3.88%
<b>Total major debt</b>	<b>5,465</b>	<b>5.0</b>	<b>4.00%</b>	<b>5,142</b>	<b>4.5</b>	<b>3.95%</b>
<b>Leverage</b>	<b>2.2x</b>			<b>2.2x</b>		
	in € million	in years		in € million	in years	

<sup>[1]</sup> Major debt only, excluding cost of currency swaps

<sup>[2]</sup> At first call date

<sup>[3]</sup> USD 1,960 million

<sup>[4]</sup> Average maturity = weighted average between the number of days remaining between the end of the earnings quarter and the debt maturity for each tranche and each tranche's amount

<sup>[5]</sup> Average cost = weighted average between each debt tranche's rate and the according amount

## Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Solvay and are currently in effect at the date of this Prospectus and could result in any Group member being under an obligation or entitlement that is material to Solvay's ability to meet its obligation to holders of the Bonds.

### ***BT, Telecom services contract***

Solvay signed a telecom services contract with BT Belgium, effective July 1, 2012, and valid until June 30, 2015, which was renewed until December 31, 2020. Under this contract, telecom services are outsourced at a global level, for 45 countries. Those telecom services include Remote Access Services, Wide Area Network and audio conferencing services.

### ***IBM, Application hosting contract***

Solvay signed an application hosting contract with IBM Belgium, effective August 1, 2012, and valid until December 31, 2022. Application hosting refers to data center activities including support to enterprise resource planning ("ERP") solutions as well as non-ERP solutions. This is a global agreement for the Group.

### ***SAP, ERP Framework contract***

Solvay signed a global ERP contract for the Group with SAP Belgium, effective January 1, 2012 and automatically renewed every year. ERP products are bought through purchase orders under this ERP framework contract.

### ***Northgate Arinso, Payroll outsourcing contract***

Solvay signed a global Payroll outsourcing contract for the Group with Northgate Arinso Belgium NV/ SA, effective November 1, 2013, and valid until March 31, 2024.

### ***Verizon, Managed firewall and secure web browsing***

Solvay entered into a master Services Agreement with Verizon Belgium Luxembourg SA/NV with an effective date of July 1, 2010. In 2010, there was only one Service Tower, the Service Tower A “Managed Firewall” services. Then, the parties added another service tower, the Service Tower B “Secured Web Browsing” which became effective on September 1, 2012. Both Service Tower contracts are valid until December 31, 2018. This is a global contract.

### ***Cap Gemini, Application maintenance services***

Solvay signed a global Master Services Agreement with CapGemini technology Services, effective February 23, 2015, that is valid until January 31, 2020. Application maintenance services refer to development of the SAP application, and development and maintenance of other applications, including document, internet and other standalone applications.

### ***Atos, Desktop services***

Solvay signed a desktop services contract with Atos to provide service desk and onsite support, effective July 1, 2014 that is valid until June 30, 2021. This contract covers services delivered in the North of Europe.

### ***CGI, Support application services***

Solvay signed a Master Services Agreement with CGI France, effective February 23, 2015, that is valid until September 30, 2023. This contract covers support IS application services delivered globally.

### ***Tibco, Office automation services***

Solvay signed a Master Services Agreement with Tibco, effective December 15, 2014 that is valid until December 31, 2018. This contract covers office automation services for PCs in France.

### ***Ricoh, Printing services***

Solvay signed a Global Master Services Agreement with Ricoh Europe PLC, effective July 1, 2014 that was valid until June 30, 2018, and tacitly renewed for one year until June 30, 2019. This contract covers imaging services delivered globally.

### ***Insight Technology Solutions, Microsoft software licenses***

Solvay signed a contract with Insight Technology Solutions Belgium, effective July 1, 2016 that is valid until April 30, 2019. This contract covers the purchase of Microsoft licenses (windows, office and windows servers).

### ***Revevol, Google managed services***

Solvay signed a Master Services Agreement with Revevol Sarl, effective June 1, 2012 that is valid until December 31, 2018. This contract covers service tower A “Managed services”, service tower B “Authentication system services”, and service tower C “Aodocs”.

### ***Joint Venture Agreements***

#### ***Butachimie SNC***

Invista is a 50-50 joint venture partner of Solvay in Butachimie SNC, which owns the world’s largest adiponitrile (ADN) production facility in Chalampé, France. On April 17, 2014, Solvay renewed this Butachimie joint venture agreement, extended the joint venture for an additional 99 years and negotiated an option to reserve for Solvay capacity in the new ADN plant Invista plans to build in China.

#### ***SODI SP JSCo***

In 1997, Solvay entered into a joint venture that produces soda ash and related products, called Sodi SP; Solvay’s interests in this venture is owned by Solvay Sisecam Holding, of which Solvay SA holds a 75% stake,

with the remaining 25% being held by Sisecam, a company incorporated under the laws of Turkey. Sodi has a maximum capacity of 1.5 million tonnes of soda ash per year, making it Europe's largest sodium carbonate producer.

## TAXATION

*The statements herein regarding taxation are based on the laws in force in the Kingdom of Belgium and the Grand Duchy of Luxembourg, respectively, as of the date of this Prospectus and are subject to any changes in law, potentially with a retroactive effect. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the Belgian or Luxembourg tax consequences of any investment in or ownership and disposition of the Bonds.*

### Common Reporting Standard

Following recent international developments, the exchange of information will be governed by the Common Reporting Standard (“CRS”).

On 15 January 2018, 98 jurisdictions signed the multilateral competent authority agreement (“MCAA”), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 50 jurisdictions have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016 (“**early adopters**”). More than 50 jurisdictions have committed to exchange information as from 2018.

Under CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (“**DAC2**”), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The Belgian government has implemented DAC2, respectively the Common Reporting Standard, pursuant to the law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the “**Law of 16 December 2015**”).

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other jurisdictions that have signed the MCAA, as of the respective date determined by Royal Decree. In a Royal Decree of 14 June 2017, it has been determined that the automatic provision of information applies as from 2017 (for the 2016 financial year) for a first list of 18 jurisdictions, and as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions.

Investors who are in any doubt as to their position should consult their professional advisers.

## **The proposed financial transactions tax**

On 14 February 2013, the EU Commission published a proposal for a Council Directive (the **Draft Directive**) on a common financial transactions tax (the “**FTT**”) for an enhanced cooperation in the area of financial transactions tax. Pursuant to the Draft Directive, the FTT shall be implemented and enter into effect in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain; the “**Participating Member States**”). However, Estonia has since stated that it will not participate.

The Draft Directive has a very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under the Draft Directive, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States (Estonia excluded), and the scope of any such tax is uncertain. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

Prospective Bondholders should consult their own tax advisers in relation to the consequences of the FTT associated with the subscription, purchase, holding or disposal of the Bonds.

## **Belgium**

*The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of, or disposing of, the Bonds and is of a general nature. It does not purport to be a complete analysis of tax considerations relating to the Bonds whether in Belgium or elsewhere.*

*This general description is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date (or with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisors on the possible tax consequences of subscribing for, purchasing, holding or selling the Bonds under the laws of their countries of citizenship, residence, ordinary residence or domicile. This description is for general information only and does not purport to be comprehensive.*

*Investors should note that the Belgian state adopted tax reform legislation on 25 December 2017 and on 30 July 2018. The impact of said tax reform has been integrated in this general description.*

### **Belgian withholding tax**

For Belgian tax purposes, the following amounts are qualified and taxable as “interest”: (i) periodic interest income, (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) in case of a realization of the Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

All payments by or on behalf of the Issuer of interest on the Bonds are in principle subject to the 30 per cent. Belgian withholding tax on the gross amount of the interest, subject to such relief as may be available under Belgian domestic law or applicable double tax treaties.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Bonds if and as long as at the moment of payment or attribution of interest they are held by certain investors (the “**Eligible Investors**”, as defined below) in an exempt securities account (an “**Exempt Account**”) that has been opened with a financial institution that is a direct or indirect participant (a “**Participant**”) in the Securities Settlement System. Certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear and Clearstream are directly or indirectly Participants for this purpose.

Participants to the Securities Settlement System must enter the Bonds which they hold on behalf of Eligible Investors in an Exempt Account. Payments of interest and principal made in respect of Bonds held in an Exempt Account by or on behalf of the Issuer may be made free of Belgian withholding tax.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier/koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*) which include, inter alia:

- (a) Belgian companies subject to Belgian corporate income tax, as referred to in article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*wetboek van inkomstenbelastingen 1992/code des impôts sur les revenus 1992*) (the “**BITC**”);
- (b) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in a) and c), and without prejudice to the application of article 262, 1° and 5° of the BITC;
- (c) semi-public social security organizations (*parastatalen/institutions parastatales*) and institutions assimilated thereto specified in article 105, 2° of the Royal Decree of 27 August 1993 implementing the BITC ;
- (d) non-resident Investors whose holding of the Bonds is not connected to a professional activity in Belgium as specified in article 105, 5° of the same decree;
- (e) Belgian qualifying investment funds, recognized in the framework of pension savings, provided for in article 115 of the same decree;
- (f) companies, associations and other taxpayers provided for in article 227, 2° of the BITC which have used the income generating capital for the exercise of their professional activities (*belasting van niet inwoners/impôt des non-résidents*) in Belgium and which are subject to non-resident income tax pursuant to article 233 of the same code;
- (g) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC;
- (h) collective investment funds (such as investment funds (*beleggingsfondsen/fonds de placement*) governed by foreign law being an indivisible estate managed by a management company for the account of the participants, provided the that fund units are not offered publicly in Belgium or otherwise marketed in Belgium; and
- (i) Belgian resident corporations, not referred to under (a), when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or Belgian non-profit making organizations, other than those mentioned under (b) and (c) above.



Upon opening of an Exempt Account, an Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance and send it to the Participant to the Securities Settlement System where this account is kept. There are no ongoing declaration requirements for Eligible Investors, save that they need to inform the Participants of any changes to the information contained in the statement of their eligible status. However, Participants are required to report annually to the NBB as to the eligible status of each of the investors for whom they hold Bonds in an Exempt Account during the preceding calendar year.

An Exempt Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Bonds that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor, and (ii) the Beneficial Owners holding their Bonds through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to central securities depositaries, as defined by Article 2, §1, 1) of Regulation (EU) n° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, acting as participants to the Securities Settlement System, provided that (i) they only hold Exempt Accounts, (ii) they are able to identify the holders for whom they hold Bonds in such account and (iii) the contractual rules agreed upon by these central securities depositaries acting as participants to the Securities Settlement System include the contractual undertaking that their clients and account owners are all Eligible Investors.

Hence, these identification requirements do not apply to Bonds held in Euroclear, Clearstream or any other central securities depository (as defined in article 2,1,1 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories (“**CSD**”)) as Participant to the Securities Settlement System (each a “**NBB-CSD**”), provided that the relevant NBB-CSD (i) only holds Exempt Accounts and (ii) is able to identify the holders for whom they hold Bonds in such an Exempt Account. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-CSD as Participants include the commitment that all their clients, holder of an account, are Eligible Investors.

Participants must keep the Bonds which they hold on behalf of non-Eligible Investors in a non-exempt securities account (an “**Non-Exempt Account**”). In such instance all payments of interest are subject to Belgian withholding tax (currently at the rate of 30 per cent.), which is withheld by the NBB from the interest payment and remitted to the Belgian Treasury.

Transfers of Bonds between an Exempt Account and a Non-Exempt Account may give rise to certain adjustment payments on account of withholding tax:

- (a) in case of a transfer from a Non-Exempt Account to an Exempt Account, the transferor non-Eligible Investor must remit to the NBB withholding tax calculated on the pro rata of accrued interest from the last interest payment date up to the transfer date;
- (b) in case of a transfer from an Exempt Account to a Non-Exempt Account, the NBB must refund to the transferee non-Eligible Investor an amount equal to withholding tax calculated on the pro rata of accrued interest from the last interest payment date up to the transfer date;
- (c) in case of a transfer between two Exempt Accounts, no adjustment on account of withholding tax applies; and
- (d) in case of a transfer between two Non-Exempt Accounts, the transferor non-Eligible Investor must pay to the NBB the withholding tax on the pro rata of accrued interest calculated from the last interest

payment date up to the transfer date, and to the refund by the NBB to the transferee non- Eligible Investor of withholding tax on the same interest amount.

## **Belgian Income tax**

### ***Belgian resident individuals***

For natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*impôt des personnes physiques/personenbelasting*) and who hold the Bonds as a private investment, the interest will in principle be subject to a 30 per cent. Belgian withholding tax, which fully discharges them from their personal income tax liability with respect to these interest payments (*bevrijdende roerende voorheffing/précompte mobilier libératoire*) and thus constitutes the final income tax. This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return, provided that the Belgian withholding tax of 30 per cent. was effectively levied on these interest payments. Belgian residents may nevertheless opt to declare interest in respect of the Bonds in their personal income tax return. Where the beneficiary opts to declare the interest, these payments will in principle be taxed at a flat Belgian withholding tax rate of 30 per cent. (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer's other declared income, whichever is more beneficial). No local surcharges will be due. If the interest payments are declared, the Belgian withholding tax retained by or on behalf of the Issuer may be credited against the income tax liability and any excess amount will in principle be refundable, all in accordance with the applicable legal provisions.

If no Belgian withholding tax is withheld, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat Belgian withholding tax rate of 30 per cent. (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer's other declared income, whichever is more beneficial).

Capital gains realized on the sale of the Bonds are in principle tax exempt, unless the capital gains are realized outside the scope of the normal management of one's private estate (in which case the capital gain will be taxed at 33 per cent. plus local municipality surcharge) or unless the capital gains qualify as interest (as defined in the section "Belgian Withholding Tax"). Capital losses realized upon the disposal of the Bonds held as non-professional investment are in principle not tax deductible. Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

### ***Belgian resident companies***

Interest attributed or paid to corporate Bondholders who are Belgian residents for tax purposes, i.e. who are subject to the Belgian Corporate Income Tax (*impôt des sociétés/vennootschapsbelasting*), as well as capital gains realized upon the sale of the Bonds are taxable at the ordinary corporate income tax rate of in principle 29.58 per cent. (including the 2 per cent. crisis surcharge) as of assessment year 2019 linked to a taxable period starting at the earliest on 1 January 2018. Furthermore, subject to certain conditions, small and medium-sized companies (as defined by article 15, §1 to §6 of the Belgian Companies Code) are taxable at the reduced corporate income tax rate of 20.4 per cent. (including the 2 per cent. crisis surcharge) for the first EUR 100,000 of their taxable base. As of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020, the ordinary corporate income tax rate will be 25 per cent., and the reduced corporate income tax rate applicable to small and medium sized companies (as defined by article 15, §1 to §6 of the Belgian Companies Code) will be 20 per cent. The withholding tax retained by, or on behalf of, the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable, all in accordance with the applicable legal provisions.

Capital losses realized upon the sale of the Bonds are in principle tax deductible.

Other tax rules apply to investment companies within the meaning of article 185bis of the BITC.

### ***Belgian legal entities***

Belgian legal entities subject to the Belgian legal entities tax (*rechtspersonenbelasting/impôt des personnes morales*), which do not qualify as Eligible Investors, are subject to a withholding tax of 30 per cent. on interest payments. The withholding tax is neither creditable nor refundable, and therefore constitutes the final tax in respect of such income.

It should be noted that a Belgian legal entity which qualifies as an Eligible Investor and which has received interest free of withholding tax due to the fact that it holds the Bonds through an Exempt Account with the Securities Settlement System, will have to declare the interest and pay the 30 per cent. Belgian withholding tax to the Belgian Treasury itself (article 262, 1° a) BITC). These legal entities are advised to consult their own tax advisors in this respect.

Belgian legal entities are not liable to income tax on capital gains realized on the sale of the Bonds, unless the capital gains qualify as interest (as defined in the section “Belgian Withholding Tax”). Capital losses are in principle not tax deductible.

### ***Organizations for Financing Pensions***

Interest and capital gains derived by Organizations for Financing Pensions (*Organismen voor de Financiering van Pensioenen/Organismes de Financement de Pensions*) within the meaning of the Law of 27 October 2006 on the activities and supervision for occupational retirement provision (*Wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen/Loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle*), are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

### ***Belgian non-residents***

For a non-resident of Belgium for Belgian tax purposes which is not holding the Bonds through a Belgian establishment and is not investing in the Bonds in the course of a Belgian professional activity, the mere acquisition, ownership or disposal of the Bonds will in principle not give rise to any Belgian tax liability in respect of income or capital gains, provided that they qualify as Eligible Investors and hold their Bonds in an Exempt Account.

If the Bonds are not entered into an Exempt Account by the Eligible Investor, Belgian withholding tax on the interest is in principle applicable at the current rate of 30 per cent., possibly reduced pursuant to a tax treaty, on the gross amount of the interest.

A non-resident company having allocated the Bonds to the exercise of a professional activity in Belgium through a Belgian establishment is subject to practically the same rules as a Belgian resident company (see above).

### ***Inheritance duties***

No Belgian inheritance duties will be levied in respect of the Bonds if the deceased Bondholder was not a Belgian resident at the time of his or her death.

### ***Tax on stock exchange transactions and tax on repurchase transactions***

A tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) will be levied upon the sale and purchase (and any other transactions for consideration) in Belgium of the Bonds on a secondary market, if such transaction is either entered into or carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.12% with a maximum amount of EUR 1,300 per transaction and per party. The tax is due

separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

The acquisition of Bonds upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

Pursuant to the Law of 25 December 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, the scope of application of the tax on stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a “**Belgian Investor**”). In such case, the tax on stock exchange transactions is due by the Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due) unless that individual or entity can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day on which the relevant transaction was realized. The qualifying order statements must be numbered in series and duplicates must be retained by the financial intermediary. A duplicate can be replaced by a qualifying agent day-today listing, numbered in series. Alternatively, professional intermediaries established outside Belgium have the possibility to appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (a “**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable towards the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and to comply with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have paid the stock exchange tax due, the Belgian Investor will, as per the above, no longer be the debtor of the stock exchange tax.

A tax on repurchase transactions (*taks op de reporten/taxe sur les reports*) at the rate of 0.085% will be due from each party to any such transaction in which a stockbroker acts for either party (subject to a maximum of EUR 1,300 per party and per transaction).

However, neither of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in article 126.1,2° of the Code of miscellaneous duties and taxes (*Wetboek diverse rechten en taken/Code des droits et taxes divers*) for the tax on stock exchange transactions and article 139, §2 of the same code for the tax on repurchase transactions.

As stated above, the European Commission has published a proposal for a Directive for a common financial transactions tax. The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions and the tax on repurchase transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

### **Tax on securities accounts**

Pursuant to the law of 7 February 2018 introducing a tax on securities accounts, a tax of 0.15 per cent. will be levied on Belgian resident and non-resident individuals on their share in the average value of the qualifying

financial instruments (including but not limited to shares, notes and units of undertakings for collective investment) held on one or more securities accounts during a reference period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year (“**Tax on Securities Accounts**”). The first reference period starts on the day of entry into effect of the Law (i.e., 10 March 2018) and ends on 30 September 2018.

No Tax on Securities Accounts will be due provided the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to less than EUR 500,000. If, however, the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to EUR 500,000 or more, the Tax on Securities Accounts will be due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and, hence, not only on the part which is at least equal to the EUR 500,000 threshold).

Qualifying financial instruments held by non-resident individuals only fall within the scope of the Tax on Securities Accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or a stockbroking firm as defined by Article 1, §2 and §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (ii) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder’s share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to EUR 500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value does not amount to EUR 500,000 or more, but of which the holder’s share in the total average value of these accounts amounts to at least EUR 500,000 EUR). Otherwise, the Tax on Securities Accounts would have to be declared and would be due by the holder itself unless the holder provides evidence that the Tax on Securities Accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities (“**Tax on the Securities Accounts Representative**”). Such a Tax on the Securities Accounts Representative will then be liable towards the Belgian Treasury for the Tax on the Securities Accounts due and for complying with certain reporting obligations in that respect.

Belgian resident individuals will have to report in their annual income tax return various securities accounts held with one or more financial intermediaries of which they are considered as a holder within the meaning of the Tax on Securities Accounts. Non-resident individuals have to report in their annual Belgian non-resident income tax return various securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered as a holder within the meaning of the Tax on Securities Accounts.

Prospective investors are urged to consult their own tax advisors as to the tax consequences of the application of this new tax on their investment in Bonds.

## **Luxembourg**

*The following is a general description of certain Luxembourg tax considerations relating to the Bonds. It specifically contains information on taxes on the income from the securities withheld at source. It does not purport to be a complete analysis of all tax considerations relating to the Bonds, whether in Luxembourg or elsewhere. Prospective purchasers of the Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of Luxembourg. This overview is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Bonds.*

### **Withholding tax**

All payments of interest and principal made by the Issuer in the context of the holding, disposal, redemption or repurchase of the Bonds can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) The application of the amended Luxembourg law of 23 December 2005 which has introduced a 20 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on interest or similar income paid or ascribed by a paying agent established in Luxembourg to the immediate benefit of Luxembourg tax resident individuals.
- (ii) In addition, pursuant to the amended law of 23 December 2005, Luxembourg resident individuals who are the immediate beneficial owners of interest or similar income paid or ascribed by a paying agent established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, can opt to self-declare and pay a 20 per cent. tax on such income. This 20 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg law of 23 December 2005, as amended is assumed by the Luxembourg paying agent within the meaning of this law and not by the Issuer.

## **United States**

### ***FATCA Withholding***

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer believes that it is not a foreign financial institution for these purposes. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance to, intergovernmental agreements (“IGAs”) with the United States to implement FATCA, that modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of these rules to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are not clear at this time. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the “**Subscription Agreement**”), HSBC Bank plc, J.P. Morgan Securities plc, Crédit Agricole Corporate and Investment Bank, Crédit Suisse Securities (Europe) Limited, ING Bank N.V., Belgian Branch, Merrill Lynch International and MUFG Securities EMEA plc (together, the “**Managers**”) will jointly and severally agree with the Issuer, subject to the satisfaction of certain conditions contained therein, to subscribe and pay for the Bonds at their issue price of 100 per cent. less an agreed combined management and underwriting commission and any agreed expenses. The Subscription Agreement will entitle the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

### **General**

No action has been or will be taken by the Managers that would permit a public offering of the Bonds or possession or distribution of any offering material in relation to the Bonds in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of the Bonds, or distribution of any offering material relating to the Bonds, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

Each Manager has represented and agreed that, in making any offers or sales of Bonds or distributing any offering materials relating thereto in any country or jurisdiction, it has complied and will comply to the best of its knowledge with all applicable laws in such country or jurisdiction.

### **Prohibition of Sales to EEA Retail Investors**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, the Bonds to any retail investor in the EEA. For these purposes, the expression “retail investor” means a person who is one (or both) of:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; and/or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **United States**

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds

within the United States or to, for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## **Belgium**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Bonds to consumers (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law, as amended from time to time (*Wetboek van economisch recht/Code de droit économique*) (i.e., any natural person acting for purposes which are outside his/her trade, business or profession).

## **United Kingdom**

Each of the Managers has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## **Eligible Investors**

The Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System.



## GENERAL INFORMATION

- (1) The Bonds have been accepted for settlement through the Securities Settlement System. The International Securities Identification Number (ISIN) is BE6309987400 and the Common Code is 191788257.
- (2) The Legal Entity Identifier of the Issuer is 549300MMVL80RTBP3O28.
- (3) The address of the NBB is Boulevard de Berlaimont 14, B-1000 Brussels.
- (4) The issue of the Bonds has been authorized pursuant to a resolution of the Board of Directors of the Issuer dated 7 November 2018.
- (5) Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Group since 30 September 2018 and no material adverse change in the prospects of the Issuer since 31 December 2017.
- (6) Except as disclosed on pages 79 to 81 in this Prospectus, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) during the last twelve months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer or the Group.
- (7) So long as any of the Bonds are outstanding, the following documents will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and, in the case of documents listed at (i) and (ii) collection free of charge, at the specified office of the Domiciliary Agent:
  - (i) this Prospectus;
  - (ii) the Domiciliary Agency Agreement;
  - (iii) the documents incorporated by reference herein; and
  - (iv) the articles of association of the Issuer.

In addition, the documents referred to in (i) and (iii) will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

- (8) To the knowledge of the Issuer, there is no conflicting interest or any potential conflicts of interest between any duties to the Issuer owed by the persons involved in the offer of the Bonds, the members of its administrative, management and supervisory bodies and their private and other duties.
- (9) There is no natural or legal person involved in the issue of the Bonds and having an interest that is material to the issue of the Bonds, other than certain of the Managers and their affiliates who have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates (including the Bonds). Certain of the Managers or their affiliates that have a lending relationship with the Issuer or its affiliates routinely hedge and certain other of those Managers or their affiliates may hedge, their credit exposure to the Issuer and/or affiliates consistent with their customary risk management policies. Typically, such Manager and its affiliates would hedge such

exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Bonds). Any such short positions could adversely affect future trading prices of the Bonds. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

- (10) Except as disclosed on pages 91 to 93 in this Prospectus, there are no material contracts for the Issuer that are not entered into in the ordinary course of the Issuer's business, which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders.
- (11) The total expenses for the admission to trading of the Bonds are estimated at Euro 10,600.
- (12) The yield of the Bonds to the First Reset Date, as calculated as at the Issue Date on the basis of the issue price of the Bonds, is 4.254 per cent. per annum. It is not an indication of future yield.
- (13) The auditor of the Issuer is Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises, Luchthaven Nationaal 1J, 1930 Zaventem, Belgium. Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises, represented by Michel Denayer, have audited the Issuer's accounts for the financial years ended 31 December 2017 and 31 December 2016, without qualification, in accordance with generally accepted auditing standards in Belgium. Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises are a member of *l'Institut des Reviseurs d'Entreprises*.
- (14) In connection with the issue of the Bonds, HSBC Bank plc (the "**Stabilizing Manager**") (or persons acting on behalf of the Stabilizing Manager) may over allot Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilization action or over-allotment shall be conducted in accordance with all applicable laws and rules.

**REGISTERED OFFICE OF THE ISSUER**

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