



FREE TRANSLATION

TESSENDERLO CHEMIE NV

**Statutory auditor's report to the general
shareholders' meeting on the annual accounts
for the year ended 31 December 2014**

9 March 2015



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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY TESSENDERLO CHEMIE NV ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

As required by law and the Company's articles of association, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the annual accounts, as well as the required additional statements. The annual accounts include the balance sheet as at 31 December 2014, the income statement for the year then ended, and the disclosures.

Report on the annual accounts - Unqualified opinion

We have audited the annual accounts of Tessenderlo Chemie NV ("the Company") for the year ended 31 December 2014, prepared in accordance with the financial-reporting framework applicable in Belgium, which show a balance sheet total of EUR 1.253.576.512,30 and a profit for the year of EUR 48.610.567,29.

The board of directors' responsibility for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts.

We have obtained from the board of directors and company's officials the explanations and information necessary for performing our audit.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified Opinion

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2014 and of its results for the year then ended in accordance with the financial-reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report, for the compliance with the applicable legal and regulatory requirements regarding bookkeeping, the Companies' Code and the Company's articles of association.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statements which do not impact our opinion on the annual accounts:

- The directors' report includes the information required by the Companies' Code, is consistent with the financial statements, and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate;
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium;
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association;
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' Code that we have to report to you.
- As explained in the annual report, the procedure in respect of a conflict of interests (in the context of section 523 of the Belgian Companies Code) has been applied 3 times. The decisions and consequences of a proprietary nature can be summarized as follows:
 - a) Remuneration of the co-CEO's for their performance in 2014 and approval of compensation executive director (Board of Directors held on 24 February 2014).

The costs for the company in relation to the remuneration of the co-CEO'S include, as explained in the annual report, the base salary for the year 2014 of respectively EUR 231.350 and EUR 340.800, entrance to the defined contribution pension plan and the company car policy, award of an additional director fee of EUR 20.000, compensations in respect of net cost allowances and medical insurance plan, and an additional complementary pension plan with an estimated yearly fee of EUR 8.300 for one of the co-CEO's. Aforementioned salary package is applicable as from respectively 1 January 2014 and 1 April 2014.

For the year 2014, the variable part of the base salary is fixed at 35% for both co-CEO'S. Additionally, the termination package for both co-CEO'S has been fixed at 8 months' notice until 12 years of service with Tessengerlo Group. After twelve years of service the termination allowance will be capped at 12 months. This fee is to be calculated based on total remuneration including variable pay of the last 12 months and valuation of all benefits. The compensation of the executive director amounts to EUR 302.150.



- b) Amendment of the terms and conditions of the warrants outstanding under Plan 2002-2006, Plan 2007-2011, Plan 2011 and Plan 2012 within the framework of anti-dilution protection (Board of Directors held on 17 September 2014).

As a result of the adjustment of the exercise price of the warrants in accordance with the right provided thereto in the terms and conditions of the respective plans, the warrant holders are compensated for the dilutive effect as a result of an important change in the capital structure of the company. Since the evolution of the stock price of the share Tessenderlo Chemie is difficult to estimate, it is however impossible to determine the consequences of a proprietary nature for the Company.

- c) Formalization of the extension with 5 years of the exercise period of certain warrants issued in the framework of Plan 2002-2006 and Plan 2007-2011 (Board of Directors held on 27 October 2014).

This conflict of interest was only related to the formalization of a previously taken decision of the Board of Directors held on 23 April 2009. The conditions linked to the warrants included in these plans have not changed except for their exercise period.

Antwerp, 9 March 2015

The statutory auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Peter Van den Eynde*
Partner

*Peter Van den Eynde BVBA
Board Member, represented by its fixed representative,
Peter Van den Eynde