



**FREE TRANSLATION**

**TESSENDERLO CHEMIE NV**

**Statutory auditor's report to the general  
shareholders' meeting on the annual accounts  
for the year ended 31 December 2015**

10 March 2016



## FREE TRANSLATION

### 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 2015

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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 2015, 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 2015, prepared in accordance with the financial-reporting framework applicable in Belgium, which show a balance sheet total of EUR 1.381.769.385 and a loss for the year of EUR 20.735.125.

#### *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 2015 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 and 524 of the Belgian Companies Code) has been applied two times. The decisions and consequences of a financial nature can be summarized as follows:
  - a) *Remuneration of the CEO and approval of the compensation executive director for their performance in 2014 and 2015 and termination fee of the former co-CEO (Board of Directors held on 23 April 2015).*

The costs for the company in relation to the remuneration of the CEO include, as explained in the annual report, the base salary for the year 2015 of EUR 231.350, 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 a medical insurance plan. The short term incentive bonus for the year 2014 (paid over performance 2014), was fixed at EUR 120.568.

The compensation of the executive director amounts to EUR 302.150. For the year 2014, the executive director is entitled to an additional service fee of EUR 196.831.

For the year 2015, the variable part of the fixed salary of the CEO is fixed at 35% and the success fee linked to services provided by the executive director is fixed at 35% of the fixed service fee.



As set out in the annual report, specific performance drivers for the variable part of the compensation package have been approved.  
The termination fee for the former co-CEO, who left the company on April 30, 2015, amounts to EUR 130.000.

- b) *Decision of the Board of Directors (meeting held on December 15, 2015) in the context of the contemplated business combination between Tessenderlo Chemie NV and Picanol NV and Verbrugge NV.*

Considering the fact that the business combination between Tessenderlo Chemie NV and Picanol NV and Verbrugge NV has not been implemented, this decision did not result in any consequences of a financial nature, except for the transaction costs.

Antwerp, 10 March 2016

The statutory auditor  
PwC Bedrijfsrevisoren bcvba  
Represented by

Peter Van den Eynde  
Partner