

CORPORATE GOVERNANCE REPORT

Corporate governance report



G1 CORPORATE GOVERNANCE FRAMEWORK

Umicore has adopted the 2009 Belgian Code on Corporate Governance as its reference code.

The English, Dutch and French versions of the Code can be found on [the website of the Belgian Corporate Governance Committee](#).

The Corporate Governance Charter describes in detail the governance structure of the Company, as well as the policies and procedures of the Umicore group. The Charter is available on the [Umicore website](#) and may be obtained on request from Umicore's Group Communications Department.

Umicore has articulated its mission, values and basic organisational philosophy in a document called "[The Umicore Way](#)". This document spells out how Umicore views its relationship with its customers, shareholders, employees and society. It is supplemented by detailed company codes and policies, the most significant of which is the Code of Conduct (see G9).

In terms of organisational philosophy, Umicore believes in decentralisation and in entrusting a large degree of autonomy to each of its business units. The business units in turn are accountable for their contribution to the group's value creation and for their adherence to group strategies, policies, standards and sustainable development approach.

In this context, Umicore is convinced that a sound corporate governance structure constitutes a necessary condition to ensure its long term success. This implies an effective decision-making process based on a clear allocation of responsibilities. This approach must ensure an optimal balance between a culture of entrepreneurship at the level of the business units and effective steering and oversight processes. The Corporate Governance Charter deals in more detail with the responsibilities of the shareholders, the Board of Directors, the CEO and the Executive Committee and also the specific role of the Audit Committee and of the Nomination & Remuneration Committee. The present statements provide information on governance issues which relate primarily to the financial year 2016.

G2 CORPORATE STRUCTURE

The Board of Directors is the ultimate decision-making body of Umicore, subject to all matters specifically reserved to the shareholders' meeting by the Belgian Companies Code or Umicore's articles of association. The Board is assisted in its role by an Audit Committee and a Nomination & Remuneration Committee. The day-to-day management of Umicore has been delegated to the CEO, who also chairs the executive committee. The Executive Committee is responsible for devising the overall strategy of Umicore and for submitting it to the Board for review and approval. It is also entrusted with the implementation of this strategy and with the effective oversight of the business units and corporate functions. The Executive Committee is furthermore responsible for screening the various risks and opportunities that Umicore may encounter in the short, medium or longer term (see Risk Management section) and for ensuring that adequate systems are in place in order to address these. The Executive Committee is responsible for defining and applying Umicore's approach to sustainable development.

Umicore is organised in business groups which in turn comprise business units that share common characteristics in terms of products, technologies and end-user markets. Some business units are further subdivided into market-focused business lines. In order to provide a group-wide support structure, Umicore has regional management platforms in China, North America, Japan and South America. Umicore's corporate headquarters are based in Belgium. This centre provides a number of corporate and support functions in the areas of finance, human resources, internal audit, legal and tax, as well as public and investor relations.

G3 SHAREHOLDERS

3.1 ISSUED SHARES – CAPITAL STRUCTURE

On 31 December 2016 there were 112,000,000 Umicore shares in issue. The identity of shareholders having declared a participation of 3% or more as of 31 December 2016 can be found in the chapter "parent company separate summarised financial statements" (p. 166-168).



Also on 31 December 2016 Umicore owned 2,673,150 of its own shares representing 2.39% of its capital. Information concerning the shareholders' authorisation for Umicore to buy back its own shares and the status of such buy-backs can be consulted in the Corporate Governance Charter and on Umicore's website.

During the year 1,188,875 own shares were used in the context of the exercise of employee stock options and 65,509 shares were used for share grants, of which 5,184 to the Board members, 28,325 to the Executive Committee members, 27,500 to senior management members and 4,500 following a partial conversion into shares of the bonus of the CEO.

3.2 DIVIDEND POLICY AND PAYMENT

Umicore's policy is to pay a stable or gradually increasing dividend. There is no fixed pay-out ratio. The dividend is proposed by the Board at the ordinary (or annual) shareholders' meeting. No dividend will be paid which would endanger the financial stability of Umicore.

In 2016 Umicore paid a gross dividend of EUR 1.20 per share relating to the financial year 2015. This was an increase by EUR 0.20 compared to the gross dividend paid in 2015 in respect of the financial year 2014.

In July 2016 the Board, in line with the Umicore dividend policy, decided to pay an interim dividend, equalling 50% of the total dividend declared for the previous financial year. Therefore a gross interim dividend of EUR 0.60 per share was paid on 25 August 2016.

3.3 SHAREHOLDERS' MEETINGS 2016

The annual shareholders' meeting was held on 26 April 2016. On this occasion the shareholders approved the standard resolutions regarding the annual accounts, the appropriation of the results and the discharges to the directors and to the statutory auditor regarding their respective 2015 mandates. At the same general meeting the shareholders appointed Mrs Françoise Chombar and Mr Colin Hall respectively as new, independent director and as new director, both for a period of three years. The annual shareholders' meeting also approved the remuneration of the Board for 2016. Details of the fees paid to the directors in 2016 are disclosed in the remuneration report.

Finally, a special and an extraordinary shareholders' meeting, which were also held on 26 April 2016, approved a change of control clause, as well as the renewal of the authorised capital for another five years and the cancellation of the VVPR strips previously issued by the Company.

G4 BOARD OF DIRECTORS

4.1 COMPOSITION

The Board of Directors, whose members are appointed by the shareholders' meeting resolving by a simple majority of votes without any attendance requirement, is composed of at least six members. The directors' term of office may not exceed four years. In practice, directors are elected for a (renewable) period of three years.

Directors can be dismissed at any time following a resolution of a shareholders' meeting deciding by a simple majority of the votes cast. There are no attendance requirements for the dismissal of Directors. The articles of association provide for the possibility for the Board to appoint directors in the event of a vacancy. The next general meeting must decide on the definitive appointment of the above director. The new director completes the term of office of his or her predecessor.

On 31 December 2016, the Board of Directors was composed of eleven members: ten non-executive directors and one executive director.

On the same date six directors were independent in accordance with the criteria laid down in Article 526ter of the Belgian Companies Code and provision 2.3 of the 2009 Belgian Code on Corporate Governance.



Three of the eleven Board members in office on 31 December 2016 are women. As a result, Umicore does not meet the minimum representation threshold of one-third, as imposed by the Belgian Companies Code, which became effective on 1 January 2017. The Board will submit nomination proposals for new Board members at the annual shareholders' meeting of 2017. Should the proposal be accepted by the shareholders, the minimum representation threshold of women Board members will be met.

The directors on the Board possess a diversity of skills, backgrounds and experience that help ensure that it is an effective governance body for Umicore.

In terms of gender and cultural diversity, the Board counts three women and seven different nationalities among its 11 members. Diversity also arises from the Board's members educational backgrounds that includes engineering, law, economics, finance and applied languages. The Board's cumulative industry experience is broad, covering automotive, electronics, chemicals, metals, energy, finance and jewellery sectors. It also includes people experienced in the public and private sector and members with experience in the different regions in which Umicore is active. Collectively the Board possesses strong experience of managing industrial operations and counts nine active or former Chief Executive Officers in its ranks. The Board also has collective experience in disciplines that are specifically relevant to Umicore's non-financial Horizon 2020 goals such as health and safety, talent attraction and retention and supply chain sustainability.

The composition of the Board of Directors underwent the following changes in 2016:

- Mrs Françoise Chombar was appointed independent director for a period of three years at the annual shareholders' meeting held on 26 April 2016.
- Mr Colin Hall was appointed director for a period of three years at the above annual shareholders' meeting.

4.2 MEETINGS AND TOPICS

The Board of Directors held five regular meetings in 2016. On one occasion the Board also took decisions by unanimous written consent.

During 2016 the matters reviewed by the Board included:

- financial performance of the Umicore group;
- approval of the annual and half-year financial statements;
- adoption of the statutory and consolidated annual accounts and approval of the statutory and consolidated annual reports;
- approval of the agenda of the ordinary, special and extraordinary shareholders' meetings and calling of these meetings;
- approval of a justification report for the proposed renewal of the authorised capital;
- EU-Market Abuse Regulation and approval of a new Umicore Dealing Code;
- investment projects;
- EHS review, including sustainable development;
- reports Audit Committee;
- strategic opportunities and operational challenges;
- business reviews;
- mergers & acquisitions projects;
- annual performance review of the CEO and the other members of the Executive Committee in respect of 2015;
- succession planning at the level of the Board and the executive committee;
- litigation updates;
- interim dividend distribution.

The Board also visited the Umicore Automotive Catalyst site in Nowa Ruda (Poland).



4.3 PERFORMANCE REVIEW OF THE BOARD AND ITS COMMITTEES

Every two to three years the chairman conducts a performance review of the Board and its Committees.

The next performance review will take place in the first half of 2017 on the basis of an individual assessment form.

4.4 AUDIT COMMITTEE

The Audit Committee's composition and the qualifications of its members are fully in line with the requirements of Article 526bis of the Belgian Companies Code and the 2009 Belgian Code on Corporate Governance.

The Audit Committee is composed of three non-executive directors, all of them being independent. It is chaired by Mrs Ines Kolmsee.

All the members of the Audit Committee have extensive experience in accounting and audit matters as demonstrated by their curriculum.

The committee met four times in 2016. Apart from the review of the 2015 full year and the 2016 half year accounts, the Audit Committee discussed matters related to internal controls, treasury risk management, corporate security and IS controls. Audit mission reports were reviewed, the 2017 audit plan validated and the new head of the internal audit department endorsed. Finally, the Audit Committee also reviewed the preparations for the next external auditor mandate assignment.

4.5 NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee is composed of three members who are all non-executive directors, two of them being independent. It is chaired by the chairman of the Board.

Two Nomination & Remuneration Committee meetings were held in 2016. During the same period the committee discussed the remuneration policy for the Board members, the Board Committees members and Executive Committee members, and the rules of the stock grant and option plans offered in 2016. The committee also discussed the succession planning at the level of the Board and the executive committee.

G5 EXECUTIVE COMMITTEE

5.1 COMPOSITION

The Executive Committee has the form of a "comité de direction"/"directiecomité" as defined under Article 524bis of the Belgian Companies Code.

The Executive Committee is composed of at least four members. It is chaired by the CEO, who is appointed by the Board of Directors. The members of the Executive Committee are appointed by the Board of Directors upon proposal by the CEO and upon recommendation of the Nomination & Remuneration Committee.

The composition of the Executive Committee remained unchanged in 2016.

On 31 December 2016 the Executive Committee was composed of seven members including the CEO.

5.2 PERFORMANCE REVIEW

A review of the performance of each Executive Committee member is conducted annually by the CEO and discussed with the Nomination & Remuneration Committee. The results are presented and discussed to/by the Board of Directors.

The Board also meets annually in a non-executive session (i.e. without the CEO being present) in order to discuss and review the performance of the CEO.

The above performance reviews took place on 4 February 2016.



G6 RELEVANT INFORMATION IN THE EVENT OF A TAKEOVER BID

6.1 RESTRICTIONS ON TRANSFERRING SECURITIES

Umicore's articles of association do not impose any restriction on the transfer of shares or other securities.

The Company is furthermore not aware of any restrictions imposed by law except in the context of the market abuse legislation and of the lock-up requirements imposed on some share grants by the Belgian Companies Code.

The options on Umicore shares as granted to the CEO, to the members of the Executive Committee and to designated Umicore employees in execution of various Umicore incentive programs may not be transferred inter vivos.

6.2 HOLDERS OF SECURITIES WITH SPECIAL CONTROL RIGHTS

There are no such holders.

6.3 VOTING RIGHT RESTRICTIONS

Umicore's articles of association do not contain any restriction on the exercise of voting rights by shareholders, providing the shareholders concerned are admitted to the shareholders' meeting and their rights are not suspended. The admission rules to shareholders' meetings are articulated in Article 17 of the articles of association. According to Article 7 of the articles of association the rights attached to shares held by several owners are suspended until one person is appointed as owner vis-à-vis the Company.

To the Board's best knowledge none of the voting rights attached to the shares issued by the Company were suspended by law on 31 December 2016, save for the 2,673,150 shares held by the Company itself on that date (Article 622 §1 of the Belgian Companies Code).

6.4 EMPLOYEE STOCK PLANS WHERE THE CONTROL RIGHTS ARE NOT EXERCISED DIRECTLY BY THE EMPLOYEES

Umicore has not issued any such employee stock plans.

6.5 SHAREHOLDERS' AGREEMENTS

To the Board's best knowledge there are no shareholders' agreements which may result in restrictions on the transfer of securities and/or the exercise of voting rights.

6.6 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Save for capital increases decided by the Board of Directors within the limits of the authorised capital, only an extraordinary shareholders' meeting is authorised to amend Umicore's articles of association. A shareholders' meeting may only deliberate on amendments to the articles of association – including capital increases or reductions, as well as mergers, de-mergers and a winding-up – if at least 50% of the subscribed capital is represented. If the above attendance quorum is not reached, a new extraordinary shareholders' meeting must be convened, which will deliberate regardless of the portion of the subscribed capital represented. As a general rule amendments to the articles of association are only adopted if approved by 75% of the votes cast. The Belgian Companies Code provides for more stringent majority requirements in specific instances, such as the modification of the corporate object or the company form.

The Company's articles of association amended once in 2016, following the renewal of the authorised capital approved the extraordinary shareholders' meeting held on 26 April 2016.

6.7 AUTHORISED CAPITAL – BUY-BACK OF SHARES

The Company's share capital may be increased following a decision of the Board within the limits of the so-called "authorised capital". The authorisation must be granted by an extraordinary shareholders' meeting; it is limited in time and amount and is subject to specific justification and purpose requirements. The extraordinary shareholders' meeting held on 26 April 2016 (resolutions published on 13 May 2016) has renewed the authorisation granted to the Board to increase the Company's share capital in one or more times by a maximum amount of EUR 50,000,000. Up until 31 December 2016 this authorisation had not been used. It will lapse on 12 May 2021.



Following a resolution of the extraordinary shareholders' meeting held on 26 September 2014 the Company is authorised to buy back own Umicore shares on a regulated market within a limit of 10% of the subscribed capital, at a price per share comprised between EUR 4.00 and EUR 75.00 and until 31 May 2017 (included). The same authorisation was also granted to the Company's direct subsidiaries. No buy-backs occurred in 2016 in implementation of the above authorisation.

6.8 AGREEMENTS BETWEEN THE COMPANY AND ITS BOARD MEMBERS OR EMPLOYEES PROVIDING FOR COMPENSATION IF THEY RESIGN, OR ARE MADE REDUNDANT WITHOUT VALID REASON, OR IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKE-OVER-BID

All the senior vice-presidents of the Umicore group are entitled to a compensation equivalent to 36 months base salary in the event of a dismissal within twelve months after a change of control of the Company. As far as the members of the Executive Committee are concerned, reference is made to the Remuneration report (p. 76-83).

G7 CONFLICTS OF INTERESTS (ART. 523 – 524TER COMPANIES CODE)

On 4 February 2016, prior to the Board discussing or taking any decision, Marc Grynberg declared that he had a direct conflicting interest of a proprietary nature in the implementation of the decisions taken by the Board relating to his performance assessment and to his remuneration (including the grant of shares and options). In accordance with Article 523 of the Belgian Companies Code, Marc Grynberg did not take part in the Board's discussions concerning this decision and he did not take part in the voting.

The above decisions had/will have the following financial consequences:

A) CASH REMUNERATION

The CEO received a fixed gross remuneration of EUR 660,000 in 2016. Also in 2016 he received a gross variable cash remuneration totalling EUR 220,000 as non-deferred part of his variable cash remuneration for the reference year 2015.

Furthermore he received in 2016 a gross amount of EUR 74,250 as first half of the deferred payment of his variable cash remuneration for the reference year 2014 based on (1) the two year average Umicore group profitability criterion, i.e. the average return on capital employed (ROCE) for the reference years 2014 and 2015 (i.e. 13% giving rise to a percentage pay-out of 55%) and (2) the degree of meeting the plan performance, as approved by the board, for the same reference years 2014 and 2015 (no adjustment applied based on the degree of meeting the plan performance on group level), and a gross amount of EUR 76,950 as the second half of the deferred payment of his variable cash remuneration for the reference year 2013 based on the three year average Umicore group ROCE for the reference years 2013, 2014 and 2015 (i.e. 13.2% giving rise to a percentage pay-out of 57%).

In 2017 he will receive the first half of the deferred payment of his annual variable cash remuneration for the reference year 2015 based on (1) the two year average Umicore group ROCE for the reference years 2015 and 2016 and (2) the degree of meeting the plan performance, as approved by the board, for the same reference years 2015 and 2016 and the second half of the deferred payment of his annual variable cash remuneration for the reference year 2014 based on (1) the three year average Umicore group ROCE for the reference years 2014, 2015 and 2016 and (2) the degree of meeting the plan performance, as approved by the board, for the same reference years 2014, 2015 and 2016.

The ROCE range is set between 7.5% (= pay-out of 0%) and a maximum of 17.5% (= pay-out of 100% at plan performance).

When the achieved ROCE percentage falls between the above targets, the pay-out will be pro-rated. In addition, the deferred pay-outs will furthermore be adjusted upwards or downwards depending on the degree of meeting the plan performance approved by the Board for the applicable reference years.

B) GRANT OF SHARES AND STOCK OPTIONS

The financial consequences for Umicore consist of: either 1) as long as Umicore decides to keep the shares it holds today: the financing and opportunity cost of maintaining such shares in its portfolio until the delivery date of the shares granted or the option's exercise date, or 2) if and to the extent that Umicore sells such shares at a later date: the difference on the date of exercise of the options between the exercise price and the market value of the shares that Umicore would have to buy on that date.

During 2016, no specific transactions or contractual commitments occurred between a member of the Board or of the Executive Committee on the one hand, and Umicore or one of its affiliated companies on the other hand.



G8 STATUTORY AUDITOR

At the annual shareholders' meeting held on 29 April 2014 the statutory auditor's mandate of PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL was renewed for a period of three years. The statutory auditor is represented by BVBA/SPRL Marc Daelman, represented by Marc Daelman for the exercise of this mandate.

Following the new applicable legislation on auditing services, the mandate of the current statutory auditor, who was initially appointed in 1993, will only be renewable twice, i.e. in 2017 and in 2020 (the latter provided it occurs before 17 June 2020).

The Umicore policy detailing the independence criteria for the statutory auditor may be requested from Umicore.

G9 CODE OF CONDUCT

Umicore operates a Code of Conduct for all its employees, representatives and Board members. This Code of Conduct is fundamental to the task of creating and maintaining a relation of trust and professionalism with its main stakeholders namely its employees, commercial partners, shareholders, government authorities and the public.

The main purpose of Umicore's Code of Conduct is to ensure that all persons acting on behalf of Umicore carry out their activities in an ethical way and in accordance with the laws and regulations and with the standards Umicore sets through its present and future policies, guidelines and rules. The Code of Conduct contains a specific section on complaints and expressions of concern by employees and "whistle-blower" protection.

The Code of Conduct is published in Appendix 4 to Umicore's Corporate Governance Charter.

G10 MARKET MANIPULATION AND INSIDER TRADING

Umicore's policy related to market abuse including insider trading is spelled out in the Umicore Dealing Code. A new version of this Code was approved in 2016 as a result of the entry into force of the EU-Regulation no 596/2014 of 16 April 2016 on market abuse. This new version can be found under Appendix 5 to the Corporate Governance Charter.

G11 COMPLIANCE WITH THE 2009 BELGIAN CODE ON CORPORATE GOVERNANCE

Umicore's corporate governance systems and procedures are in line with the 2009 Belgian Code on Corporate Governance.

REMUNERATION REPORT

Remuneration report



G12 BOARD OF DIRECTORS' REMUNERATION

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS

As a principle the remuneration of the non-executive members of the Board should be sufficient to attract, retain and motivate individuals who have the profile determined by the Board. The remuneration level should take into account the responsibilities and the commitment of the Board members as well as prevailing international market conditions. On the basis of the recommendation made by the Nomination & Remuneration Committee as to the form and structure of remuneration, the Board of Directors adopts the policy for remuneration of the non-executive Directors. The Nomination & Remuneration Committee bases its proposals on a review of prevailing market conditions for quoted companies which are part of the BEL20 index as well as other European companies of similar size operating in the Chemicals, Metals and Materials sectors. The results of the survey are discussed within the Nomination & Remuneration Committee and the Board determines the remuneration for non-executive Directors and Board Committee's members to be proposed to the annual shareholders' meeting.

NON-EXECUTIVE DIRECTORS' REMUNERATION

In order to determine adequate remuneration levels for its non-executive Directors Umicore conducted at the end of 2015 a survey of director's fees of Umicore against those of quoted companies on the BEL20 index as well as other European companies of similar size operating in the Chemicals, Metals and Materials sectors. The results of the survey were reviewed by the Nomination & Remuneration Committee of 3 February 2016. The Nomination & Remuneration Committee concluded that Umicore remains reasonably positioned against the benchmarks and therefore recommended to the Board not to change the fees, but to re-assess the fee structure in 2017.

The Board of Directors of 4 February 2016 followed this recommendation and the annual shareholders' meeting of 26 April 2016 approved the non-executive Directors' remuneration.

The remuneration of the non-executive Board members was as follows in 2016:

- **Chairman:** annual fixed fee: EUR 40,000 + EUR 5,000 per meeting attended + 1,000 Umicore shares.
- **Director:** annual fixed fee: EUR 20,000 + EUR 2,500 per meeting attended + EUR 1,000 per meeting attended for foreign based Board members + 500 Umicore shares.

The remuneration of the Board Committee members was as follows in 2016:

AUDIT COMMITTEE

- **Chairman:** annual fixed fee: EUR 10,000 + EUR 5,000 per meeting attended.
- **Member:** annual fixed fee: EUR 5,000 + EUR 3,000 per meeting attended.

NOMINATION & REMUNERATION COMMITTEE

- **Chairman:** EUR 5,000 per meeting attended.
- **Member:** EUR 3,000 per meeting attended.

REMUNERATION REPORT

2016 BOARD REMUNERATION OVERVIEW

		(IN EUR)	MEETINGS ATTENDED
Thomas Leysen (Chairman) (non-executive Director)	Board		
	Fixed annual fee	40,000	
	Fee per attended meeting	5,000	5/5
	Value of 1,000 granted shares	44,870	
	Nomination & Remuneration Committee		
	Fee per attended meeting	5,000	2/2
	Total remuneration	119,870	
	Benefits in kind company car	2,971	
Marc Grynberg (executive director)	Board		
	No remuneration as a Director (see hereafter 2016 CEO remuneration)		5/5
Françoise Chombar (independent, non-executive Director) Appointed by the AGM of 26 April 2016	Board		
	Fixed annual fee	13,661	
	Fee per attended meeting	2,500	3/3
	Value of 342 granted shares	15,346	
	Total remuneration	36,507	
Ian Gallienne (non-executive Director)	Board		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	5/5
	Value of 500 granted shares retroceded to GBL	22,435	
	Total remuneration	54,935	
Mark Garrett (independent, non-executive Director)	Board		
	Fixed annual fee	20,000	
	Fee per attended meeting	3,500	5/5
	Value of 500 granted shares	22,435	
	Audit Committee		
	Fixed annual fee	5,000	
	Fee per attended meeting	3,000	4/4
	Total remuneration	76,935	
Colin Hall (non-executive Director) Appointed by the AGM of 26 April 2016	Board		
	Fixed annual fee	13,661	
	Fee per attended meeting	3,500	3/3
	Value of 342 granted shares retroceded to GBL	15,346	
	Total remuneration	39,507	
Ines Kolmsee (independent, non-executive Director)	Board		
	Fixed annual fee	20,000	
	Fee per attended meeting	3,500	5/5
	Value of 500 granted shares	22,435	
	Audit Committee		
	Fixed annual fee	10,000	
	Fee per attended meeting	5,000	4/4
	Total remuneration	89,935	

REMUNERATION REPORT

		(IN EUR)	MEETINGS ATTENDED
Barbara Kux (independent, non-executive Director)	Board		
	Fixed annual fee	20,000	
	Fee per attended meeting	3,500	5/5
	Value of 500 granted shares	22,435	
	Nomination & Remuneration Committee		
	Fee per attended meeting	3,000	2/2
	Total remuneration	65,935	
	Umicore contribution to the Swiss social security	4,404	
Eric Meurice (independent, non-executive Director)	Board		
	Fixed annual fee	20,000	
	Fee per attended meeting	3,500	5/5
	Value of 500 granted shares	22,435	
	Total remuneration	59,935	
Jonathan Oppenheimer (non-executive Director)	Board		
	Fixed annual fee	20,000	
	Fee per attended meeting	3,500	4/5
	Value of 500 granted shares	22,435	
	Total remuneration	56,435	
Rudi Thomaes (independent, non-executive Director)	Board		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	5/5
	Value of 500 granted shares	22,435	
	Nomination & Remuneration Committee		
	Fee per attended meeting	3,000	2/2
	Audit Committee		
	Fixed annual fee	5,000	
	Fee per attended meeting	3,000	4/4
	Total remuneration	77,935	

G13 CEO AND EXECUTIVE COMMITTEE REMUNERATION

REMUNERATION POLICY FOR THE CEO AND EXECUTIVE COMMITTEE

The Nomination & Remuneration Committee defines the remuneration policy principles for the CEO and the Executive Committee members and submits them to the Board of Directors for approval. It strives to have a fixed remuneration to reflect the level of responsibility and in line with market practices, as well as an attractive variable remuneration to reward the performance of the company against financial and sustainability criteria.

The compensation & benefits package for the CEO and Executive Committee members includes the following components: fixed remuneration, variable remuneration, share based incentives (share grant and incentive stock option plans) subject to a three year lock-up period, pension plans and other benefits.

The inclusion of Umicore shares and stock options as part of the remuneration of the CEO and the Executive Committee members reflects the commitment of the company to create shareholder value. Shares and stock options are not linked to individual or business performance criteria. As a result the share based incentives should not be considered as a variable remuneration as meant under the Belgian Corporate Governance law of 6 April 2010 and are vested upon grant.

The remuneration of the CEO and Executive Committee members is reviewed on an annual basis by the Nomination & Remuneration Committee. A survey is conducted every year to assess the competitiveness of the remuneration packages. Umicore benchmarks the total remuneration of the CEO and the Executive Committee members against BEL20 companies and European peer companies.



In line with the Belgian law of 6 April 2010 on Corporate Governance, the payment of half of the variable remuneration is deferred and subject to multi-year targets or criteria.

SYNTHETIC SUMMARY OF THE REMUNERATION OF THE CEO AND THE EXECUTIVE COMMITTEE MEMBERS

TIME TO CASH CONVERSION

Current year	Fixed	Annual review based on market practices BEL 20 and European peer companies
15 months	Undeferred variable 50%	Fixed discretionary based on individual objectives
27 months	Deferred variable 25%	Based on Group ROCE and performance against 2 years plan (y, y-1) for CEO/CF0/CTO/Corporate EVP; for EVP performance against 2 years Business Group plan
39 months	Deferred variable 25%	Based on Group ROCE and performance against 3 years plan (y, y-1, y-2) for CEO/CF0/CTO/Corporate EVP; for EVP performance against 3 years Business Group plan
3 years	Shares	Grant in recognition of services rendered in the ref year – not linked to individual or business performance criteria – subject to a 3 year lock-up
3 to 7 years	Stock options	Upfront grant for the ref year – not linked to individual or business performance criteria – subject to a 3 year lock-up

The above remuneration components are defined and/or assessed by the Nomination and Remuneration Committee subject to Board approval.

CEO'S REMUNERATION

FIXED REMUNERATION

The fixed remuneration of the CEO is reviewed on an annual basis by the Nomination & Remuneration Committee.

VARIABLE CASH REMUNERATION SCHEME AND EVALUATION CRITERIA

The CEO's annual variable cash remuneration potential currently amounts to EUR 540,000, half of which relates to an undeferred payout based on the individual performance including the annual overall financial performance of the Group, the progress achieved against Group strategic and sustainable development objectives, and adherence to the values of the Group.

The other half of the variable remuneration, for which the payout is deferred, is based (1) on the Umicore Group profitability criterion, i.e. the Return on Capital Employed (ROCE), as published in the annual report and (2) the degree of meeting the plan performance, as approved by the Board. The deferred payout is assessed over a multi-year timespan, with half of it paid after a period of two years based on the two year average ROCE and the plan performance as reference. The other half is paid after a period of three years using as a reference the three year average ROCE and the plan performance. The ROCE range is set between 7.5% (= payout of 0%) and a maximum of 17.5% (= payout of 100% at plan performance). When the achieved ROCE percentage falls between the minimum threshold and the maximum target, the payout will be pro-rated. In addition, the deferred payouts will furthermore be adjusted upwards or downwards depending on the degree of meeting the plan approved by the Board.

In case of any relevant structural change the Nomination & Remuneration Committee reserves the right to review and adjust the variable remuneration as appropriate.

At the beginning of every reference year the individual objectives of the CEO are discussed during a session of the Nomination & Remuneration Committee. During a Board session they are presented by the Chairman, discussed and approved by the Board.

The annual performance of the CEO is assessed by the Nomination & Remuneration Committee and the results of this assessment are presented by the Chairman and discussed during a Board session where the CEO is not present.

The variable cash remuneration may be converted partly or totally into Umicore shares at the discretion of the CEO. There are no provisions allowing the Company to reclaim any variable remuneration paid to the CEO.

SHARE BASED INCENTIVES (SHARE GRANT AND STOCK OPTIONS)

Umicore shares are granted to the CEO at the discretion of the Board of Directors in recognition of services rendered in the previous year. The number of shares granted to the CEO in respect of the year 2016 was 5,200. The shares are subject to a three year lock-up and are not subject to forfeiture conditions.



Stock options are granted to the CEO as part of the annual Umicore Incentive Stock Option Plan approved by the Board of Directors. The number of stock options granted to the CEO currently amounts to 75,000. There is no vesting period and the options are subject to a three year lock-up. Stock options allow the beneficiary to acquire a specific number of Umicore shares at a fixed price (the exercise price) within a specific period of time.

PENSION AND OTHER BENEFITS

Pensions include both defined contribution plans and the service cost of a defined benefit plan. Other benefits are representation allowance, benefits in kind (company car), and insurance benefits.

EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

FIXED REMUNERATION

The fixed remuneration of the Executive Committee members is reviewed on an annual basis by the Nomination & Remuneration Committee. The fixed remuneration can be different for each Executive Committee member and depends on criteria such as experience and responsibilities.

VARIABLE CASH REMUNERATION SCHEME AND EVALUATION CRITERIA

Umicore has adopted a variable cash remuneration scheme which aims to ensure that all Executive Committee members are rewarded in line with their annual individual performance as well as the overall performance of the Umicore Group. All the members of the Executive Committee are eligible for the same annual variable cash remuneration potential currently amounting to EUR 300,000, half of which involves an undeferred payout based on the annual individual performance (including adherence to the values of the Group, environmental and social performance).

The other half, involving a deferred payout, is based (1) on the Umicore Group ROCE profitability criterion, i.e. the Return on Capital Employed (ROCE), as published in the annual report and (2) the degree of meeting the plan performance, as approved by the Board. For Executive Committee members having Group responsibility such as the Chief Financial Officer, the Chief Technology Officer and the Corporate Executive Vice-President the plan performance is on Group level. For the Executive Vice-Presidents having full Business Group responsibility, the plan performance is their respective Business Group plan performance. The deferred payout is assessed over a multi-year timespan, with half of it paid after a period of two years, using the two years average ROCE and the plan performance as reference. The other half is paid after a period of three years based on the three years average ROCE and the plan performance. The ROCE range is set between 7.5% (= payout of 0%) and a maximum of 17.5% (= payout of 100% at plan performance). When the achieved ROCE percentage falls between the minimum threshold and the maximum target, the payout will be pro-rated. In addition, the deferred payouts will furthermore be adjusted upwards or downwards depending on the degree of meeting the plan approved by the Board.

In case of any relevant structural change the Nomination & Remuneration Committee reserves the right to review and adjust the variable remuneration as appropriate.

At the beginning of every reference year the annual individual objectives of each Executive Committee member are fixed by the CEO on basis of their areas of responsibility. The annual individual objectives are specific, measurable, agreed, realistic, time bound and take into account the group's sustainability objectives.

The annual performance of each Executive Committee member is initially assessed by the CEO. The results of the assessments and the individual variable cash remuneration proposals are presented by the CEO to the Nomination & Remuneration Committee before approval by the Board.

There are no provisions allowing the Company to reclaim any variable remuneration paid to the Executive Committee members.

SHARE BASED INCENTIVES (SHARE GRANT AND STOCK OPTIONS)

Umicore shares are granted to the Executive Committee members at the discretion of the Board of Directors in recognition of services rendered in the previous year. The number of shares granted to each member of the Executive Committee in respect of the year 2016 was 3,700. The shares are subject to a three year lock-up and are not subject to forfeiture conditions.

Stock options are granted to the Executive Committee members as part of the annual Umicore Incentive Stock Option Plan approved by the Board of Directors. The number of stock options granted to each Executive Committee member currently amounts to 17,500. There is no vesting period and the options are subject to a three year lock-up. Stock options allow the beneficiary to acquire a specific number of Umicore shares at a fixed price (the exercise price) within a specific period of time.

REMUNERATION REPORT

PENSION AND OTHER BENEFITS

Pensions include both defined contribution plans and the service cost of a defined benefit plan. Other benefits include representation allowances, company cars and insurance benefits.

TOTAL CEO AND EXECUTIVE COMMITTEE REMUNERATION FOR 2016

All components of the remuneration earned by the CEO and the Executive Committee Members for the reported year are detailed in the table below:

(IN EUR)		CEO	EXECUTIVE COMMITTEE (IN AGGREGATE)
Status		Self-employed	
Time to cash conversion			
Current year	Fixed	660,000	2,375,000
15 months	Undeferred Variable 50% (ref year 2016)	210,000	660,000
27 months	Deferred Variable 25% (ref year 2015)	90,450	296,475
39 months	Deferred Variable 25% (ref year 2014)	81,000	243,000
3 years	Shares	265,200	1,133,976
3 to 7 years	Stock options	350,250	490,350
Pension			
	Defined contribution plan	46,200	172,330
	Defined benefits plan (service cost)	118,527	538,986
Others benefits			
	Representation allowance, benefit in kind company car, insurance benefits	42,881	235,005
Total		1,864,508	6,145,122

G14 SHARE AND SHARE OPTION OWNERSHIP AND TRANSACTIONS 2016

EXECUTIVE COMMITTEE SHARE OPTION OWNERSHIP AND TRANSACTIONS 2016

	OPTIONS AT 31 DEC 2015	OPTIONS GRANTED IN 2016	NUMBER OF OPTIONS EXERCISED	AVERAGE EXERCISE PRICE (IN EUR)	YEAR OF GRANT OF OPTIONS EXERCISED	NUMBER OF OPTIONS FORFEITED	OPTIONS AT 31 DEC 2016*
Marc Grynberg	503,000	75,000	113,000	23.16	2007/2010	0	465,000
Stephan Csoma	41,000	17,500	6,000	35.32	2012	0	52,500
Denis Goffaux	85,000	17,500	32,500	36.59	2011/2012	0	70,000
Géraldine Nolens**	24,000	17,500	6,000	35.32	2012	0	35,500
Filip Platteeuw	52,500	17,500	17,500	36.38	2013	0	52,500
Pascal Reymondet	95,000	17,500	60,000	37.95	2011/2012/2013	0	52,500
Marc Van Sande	95,000	17,500	42,500	36.94	2011/2012	0	70,000

* These options can be exercised at strike prices between EUR 32.286 and EUR 38.07

** Including options granted in her capacity prior to appointment to the Executive Committee

Details of all options exercised and other share-related transactions of Executive Committee or Board members can be found on the [FSMA website](#).

REMUNERATION REPORT



EXECUTIVE COMMITTEE SHARE OWNERSHIP 2016

	SHARES OWNED AT 31/12/2015	SHARES OWNED AT 31/12/2016
Marc Grynberg	240,500	315,200
Stephan Csoma	7,200	10,900
Denis Goffaux	12,700	18,900
Géraldine Nolens	-	2,350
Filip Platteeuw	8,200	11,400
Pascal Reymondet	24,450	25,150
Marc Van Sande	15,700	19,400
Total	308,750	403,300

BOARD OF DIRECTORS SHARE OWNERSHIP 2016

	SHARES OWNED AT 31/12/2015	SHARES OWNED AT 31/12/2016
Thomas Leysen	573,920	454,920
Françoise Chombar	-	3,342
Ian Gallienne	-	-
Mark Garrett	333	833
Colin Hall	-	-
Ines Kolmsee	1,805	2,305
Barbara Kux	1,000	1,500
Eric Meurice	333	833
Jonathan Oppenheimer	1,900	2,400
Rudi Thomaes	2,205	2,705
Total	581,496	468,838

CONTRACTUAL RELATIONSHIPS

CONTRACT BETWEEN UMICORE AND MARC GRYNBERG, CHIEF EXECUTIVE OFFICER

Taking into account Marc Grynberg's seniority in the Umicore Group, the Board resolved as follows in 2008:

- In case of termination of the contract by Umicore, a total compensation equivalent to 18 months of his annual base salary will be paid.
- A total compensation of three years of annual base salary as minimum indemnity will be paid to the Chief Executive Officer if his employment as Chief Executive Officer would be terminated within a 12 month period following a change of control due to a takeover bid (not cumulative with the previous provision).
- It is at the Board of Directors' discretion as to whether the variable cash remuneration would form part of any final indemnity.

CONTRACTS BETWEEN UMICORE AND EXECUTIVE COMMITTEE MEMBERS

Following a Board decision taken in 2007, in case the employment of an Executive Committee member should be terminated within twelve months of a change of control of the Company, that member would stand to receive a total compensation equivalent to 36 months' base salary. This only applies for Pascal Reymondet and Marc Van Sande who were Executive Committee members at the date of this Board decision.

INDIVIDUAL ARRANGEMENTS IN CASE OF TERMINATION OF THE CONTRACT BY UMICORE

Denis Goffaux was appointed Chief Technology Officer on 1 July 2010. Taking into account Denis Goffaux's seniority in the Umicore Group a total compensation equivalent to 18 months of his annual base salary will be paid in case of contract termination. In line with the Belgian Corporate Governance Law of 6 April 2010, the Nomination & Remuneration Committee recommended this arrangement and this was approved by the Board of Directors on 1 June 2010.

Stephan Csoma and Filip Platteeuw were appointed Executive Committee members on 1 November 2012. Taking into account their seniority in the Umicore Group a total compensation equivalent to 18 months of their annual base salary will be paid in case of contract termination. In line with the Belgian Corporate Governance Law of 6 April 2010, these arrangements were approved by the Nomination & Remuneration Committee of 18 September 2012 subject to the absence of any objections of the Board, which were not formulated.



Géraldine Nolens was appointed Executive Committee member on 1 July 2015. Taking into account Géraldine Nolens' seniority in the Umicore Group, a total compensation equivalent to 18 months of her annual base salary will be paid in case of contract termination. In line with the Belgian Corporate Governance Law of 6 April 2010, the Nomination & Remuneration Committee recommended this arrangement and this was approved by the Board of Directors on 28 April 2015.

For all prior mentioned Executive Committee members it is at the Board of Directors' discretion as to whether the variable cash remuneration would form part of any final indemnity.

The contract of Marc Van Sande was signed before the Belgian Corporate Governance Law of 6 April 2010 came into force. In case of termination the compensation is based on age, seniority in the Umicore Group and the total compensation and benefits.

Pascal Reymonet has a German employment agreement signed on 1 March 1989. There is no contractual arrangement in case of termination and German law will be applicable.

G15 CHANGES TO REMUNERATION SINCE THE END OF 2016

NON-EXECUTIVE DIRECTORS' REMUNERATION

At the request of the Nomination & Remuneration Committee, Umicore conducted end 2016 a survey of directors fees of Umicore against those of quoted companies on the BEL20 index as well as other European companies of similar size operating in the Chemicals, Metals, and Materials sectors. The results of the survey were reviewed by the Nomination & Remuneration Committee of 20 January 2017.

Based on the review of the overall compensation of the Board members and of each element of the compensation, the Nomination & Remuneration Committee concluded that the annual fixed fee requires adjustment. The Nomination & Remuneration Committee proposed to the Board an increase of the annual fixed fee with EUR 7,000. The annual fixed fee of the Chairman of the Board will remain unchanged.

The Board of Directors of 9 February 2017 followed this recommendation and decided to submit this increase to the approval of the shareholders.

CEO'S REMUNERATION

On 20 January 2017 the Nomination & Remuneration Committee reviewed the remuneration of the CEO and the Executive Committee members based on a comparison survey with European peer companies and BEL20 index companies.

On proposal of the Nomination & Remuneration Committee, the Board of Directors of 9 February 2017 decided to increase the fixed remuneration of the CEO with EUR 20,000 to EUR 680,000 as of 1 January 2017.

EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

The Nomination & Remuneration Committee of 20 January 2017 reviewed the remuneration of the Executive Committee members. On proposal of the Nomination & Remuneration Committee, the Board of Directors of 9 February 2017 decided to increase slightly the annual fixed remuneration of the Executive Committee members as of 1 January 2017.

CEO & EXECUTIVE COMMITTEE MEMBERS' DEFERRED VARIABLE REMUNERATION

The Nomination & Remuneration Committee discussed a re-design of the deferred variable remuneration policy. While ROCE continues to be the key metric of financial performance, the Nomination & Remuneration Committee supported a concept to provide for a growth incentive. It was agreed that the current ROCE deferred variable will remain in place and that an upward adjustment or additional variable will be considered based on EBIT growth.

This additional variable, based on the target of the deferred variable remuneration or for the CEO EUR 270,000 (target of EUR 135,000 after a period of two years and target of EUR 135,000 after a period of three years) or for the Executive Committee members EUR 150,000 (target of EUR 75,000 after a period of two years and target of EUR 75,000 after a period of three years), will be determined by adding to the target a percentage equal to twice the average EBIT growth percentage over the last 2 years, respectively 3 years. A threshold of 2% average EBIT growth will be applied i.e. no adjustments for EBIT growth below 2%. The deferred variable plan including the additional variable will be measured collectively for the CEO and the Executive Committee members.

The new concept intends to reward for the quality of the results (ROCE criteria) and provide an incentive for growth (EBIT growth criteria).

The Board of Directors of 9 February 2017 approved this new concept of the deferred variable remuneration applicable as of pay-outs in 2018.