

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 2017.

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 2017 there were 224,000,000 Umicore shares in issue, compared to 112,000,000 on 31 December 2016. This increase resulted from the share split approved by the extraordinary shareholders' meeting held on 7 September 2017, whereby each old share was split into two new shares effective as from 16 October 2017. All the below numbers of shares are mentioned on a post-share split basis.

The identity of shareholders having declared a participation of 3% or more as of 31 December 2017 can be found in the chapter "parent company separate summarised financial statements" (p. 170).

Also on 31 December 2017 Umicore owned 4,505,567 of its own shares representing 2.01% 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, 1,507,676 own shares were used in the context of the exercise of employee stock options and 71,912 shares were used for share grants, of which 10,312 to the board members, 54,800 to the executive committee members and 6,800 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 2017 Umicore paid a gross dividend of € 1.30 (€ 0.65 on a post-share split basis) per share relating to the financial year 2016. This was an increase by € 0.10 (€ 0.05 on a post-share split basis) compared to the gross dividend paid in 2016 in respect of the financial year 2015.

In July 2017 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 € 0.65 (€ 0.325 on a post-share split basis) per share was paid on 29 August 2017.

3.3 SHAREHOLDERS' MEETINGS 2017

The annual shareholders' meeting was held on 25 April 2017. 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 2016 mandates. At the same general meeting, the shareholders appointed Mrs Liat Ben-Zur and Mr Gérard Lamarche respectively as new, independent director and as new director, both for a period of three years. Furthermore, the mandate of Mrs Ines Kolmsee as independent director was renewed for three years. The annual shareholders' meeting also approved the remuneration of the board for 2017. Details of the fees paid to the directors in 2017 are disclosed in the remuneration report.

Also on 25 April 2017 an extraordinary shareholders' meeting renewed the authorisation conferred to the Company and its direct subsidiaries to acquire Umicore shares on a regulated market within a limit of 10% of the subscribed capital, at a price per share between € 2 and € 37.50 (amounts adapted on a post-share split basis). This authorisation is valid until 31 May 2021 (included).

Finally, a special and an extraordinary shareholders' meeting were held on 7 September 2017, which approved two change of control clauses and the split of each then existing share into two new shares effective as from 16 October 2017, as well as the cancellation of a temporary provision in the bylaws on fraction of shares and a modification to the date of the annual shareholders' meeting.

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 2017, the board of directors was composed of ten members: nine 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 10 board members in office on 31 December 2017 are women. As a result, Umicore fully meets the minimum representation threshold of one third, as imposed by the Belgian Companies Code.

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 six different nationalities among its 10 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 2017:

- Mrs Liat Ben-Zur was appointed independent director for a period of three years at the annual shareholders' meeting held on 25 April 2017;
- Mr Gérard Lamarche was appointed director for a period of three years at the above annual shareholders' meeting;
- The mandate of Mr Jonathan Oppenheimer as director expired on 25 April 2017;
- The mandate of Mrs Barbara Kux as independent director expired on 25 April 2017;
- Mr Ian Gallienne resigned as director with effective date 25 April 2017.

4.2 MEETINGS AND TOPICS

The board of directors held seven regular meetings in 2017, two of which were held via conference call. On one occasion the board also took decisions by unanimous written consent.

During 2017 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;
- investment and divestment projects;
- funding mandates;
- EHS review, including sustainable development;
- audit committee reports;
- strategic opportunities and operational challenges;
- business reviews and market updates;
- mergers & acquisitions projects;
- annual performance review of the CEO and the other members of the executive committee;
- 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 Onsan (South Korea) and the Rechargeable Battery Materials plant in Cheonan (Korea).

4.3 PERFORMANCE REVIEW OF THE BOARD AND ITS COMMITTEES

The chairman regularly conducts a performance review of the board and its committees.

The next performance review will take place in the first half of 2018 on the basis of assessment forms and/or Board discussions.

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, two of them being independent. It is chaired by Mrs Ines Kolmsee.

The composition of the audit committee underwent one change in 2017: Mr Mark Garrett was replaced by Mr Colin Hall with effective date 29 July 2017.

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 2017. Apart from the review of the 2016 full year and the 2017 half year accounts, the audit committee discussed matters related to internal audit, risk management, internal controls, IT strategy and non-audit services provided by the Company's statutory auditor. The 2018 internal audit plan was validated. Finally, the audit committee also reviewed the proposed audit plan 2017-2019 of the renewed statutory 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.

The composition of the nomination & remuneration committee underwent one change in 2017: Mrs Barbara Kux was replaced by Mr Mark Garrett with effective date 25 April 2017.

Two nomination & remuneration committee meetings were held in 2017. During the same period the committee discussed the remuneration policy for the board members, the board committee members and executive committee members, and the rules of the stock grant and option plans offered in 2017. 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 2017.

On 31 December 2017 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 9 February 2017.

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 programmes 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 2017, save for the 4,505,567 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 were amended once in 2017, following the extraordinary shareholders' meeting held on 7 September 2017, which approved a share split, the cancellation of a temporary provision on fraction of shares and a modification to the date of the annual shareholders' meeting.

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 € 50,000,000. Up until 31 December 2017 this authorisation had not been used. It will lapse on 12 May 2021.

Following a resolution of the extraordinary shareholders' meeting held on 25 April 2017 the Company is authorised to buy back own shares on a regulated market within a limit of 10% of the subscribed capital, at a price per share comprised between € 2.00 and € 37.50 (amounts adapted following the share split approved on 7 September 2017) and until 31 May 2021 (included). The same authorisation was also granted to the Company's direct subsidiaries. The Company acquired 828,730 own shares in 2017 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 TAKEOVER 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 (pages 76-85).

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

On 9 February 2017, 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 € 680,000 in 2017. Also in 2017, he received a gross variable cash remuneration totalling € 210,000 as non-deferred part of his variable cash remuneration for the reference year 2016.

Furthermore, he received in 2017 a gross amount of € 90,450 as first half of the deferred payment of his variable cash remuneration for the reference year 2015 based on (1) the two year average Umicore group profitability criterion, i.e. the average return on capital employed (ROCE) for the reference years 2015 and 2016 (i.e. 14.2% giving rise to a percentage pay-out of 67%) and (2) the degree of meeting the plan performance, as approved by the board, for the same reference years 2015 and 2016 (no adjustment applied based on the degree of meeting the plan performance at group level). Also in 2017 he received a gross amount of € 81,000 as the second half of the deferred payment of his 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 (i.e. 13.5% giving rise to a percentage pay-out of 60%) and (2) the degree of meeting the plan performance, as approved by the board, for the same reference years 2014, 2015 and 2016 (no adjustment applied based on the degree of meeting the plan performance at group level).

In 2018 he will receive the first half of the deferred payment of his annual variable cash remuneration for the reference year 2016 based on (1) the two year average Umicore group ROCE for the reference years 2016 and 2017 and (2) the two year average Umicore EBIT growth for the same reference years 2016 and 2017. Also in 2018 he will receive the second half of the deferred payment of his annual variable cash remuneration for the reference year 2015 based on (1) the three year average Umicore group ROCE for the reference years 2015, 2016 and 2017 and (2) the three year average Umicore EBIT growth for the same reference years 2015, 2016 and 2017. The ROCE and EBIT-based deferred payments will be applicable for pay-outs from 2018 onwards.

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. The impact of the EBIT growth is calculated by multiplying the average percentage of the EBIT growth for the reference years by two.

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 2017, 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 25 April 2017 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 Mr Kurt Cappoen 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 once, i.e. 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, which 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 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, at the end of 2016 Umicore conducted a survey of Umicore directors' fees 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 on 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 by € 7,000, the annual fixed fee of the chairman of the board remaining unchanged.

The board of directors of 9 February 2017 followed this recommendation and the annual shareholders' meeting of 25 April 2017 approved the non-executive directors' remuneration.

The remuneration of the non-executive board members was as follows in 2017:

- **Chairman:** annual fixed fee: € 40,000 + € 5,000 per meeting attended + 2,000 Umicore shares (after the split of each share into two new shares on 16 October 2017).
- **Director:** annual fixed fee: € 27,000 + € 2,500 per meeting attended + € 1,000 per meeting attended for foreign-based board members + 1,000 Umicore shares (after the split of each share into two new shares on 16 October 2017).

The remuneration of the board Committee members was as follows in 2017:

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

REMUNERATION REPORT

2017 BOARD REMUNERATION OVERVIEW

| | | (IN EUROS) | MEETINGS ATTENDED |
|---|---|----------------|----------------------|
| Thomas Leysen (chairman) (non-executive director) | Board | | |
| | Fixed annual fee | 40,000 | |
| | Fee per attended meeting | 5,000 | 7/7 |
| | Value of 2,000 granted shares | 62,540 | |
| | Nomination & remuneration committee | | |
| | Fee per attended meeting | 5,000 | 2/2 |
| | Total remuneration | 147,540 | |
| | Benefits in kind company car | 2,767 | |
| Marc Grynberg (executive director) | Board | | |
| | No remuneration as a Director (see hereafter 2017 CEO remuneration) | | 7/7 |
| Liat Ben-Zur (independent, non-executive director) Appointed by the AGM of 25 April 2017 | Board | | |
| | Fixed annual fee | 18,567 | |
| | Fee per attended meeting | 3,500 | 4/4 |
| | Value of 688 granted shares | 21,514 | |
| | Total remuneration | 54,081 | |
| Françoise Chombar (independent, non-executive director) | Board | | |
| | Fixed annual fee | 27,000 | |
| | Fee per attended meeting | 2,500 | 7/7 |
| | Value of 1,000 granted shares | 31,270 | |
| | Total remuneration | 75,770 | |
| Ian Gallienne (non-executive director) End of mandate: 25 April 2017 | Board | | |
| | Fixed annual fee | 8,433 | |
| | Fee per attended meeting | 2,500 | 2/3 |
| | Value of 312 granted shares retroceded to GBL | 9,756 | |
| | Total remuneration | 23,189 | |
| Mark Garrett (independent, non-executive director) | Board | | |
| | Fixed annual fee | 27,000 | |
| | Fee per attended meeting | 3,500 | 6/7 |
| | Value of 1,000 granted shares | 31,270 | |
| | Audit committee | | |
| | Fixed annual fee | 5,000 | |
| | Fee per attended meeting | 3,000 | 3/3 |
| | Nomination & remuneration committee | | |
| | Fee per attended meeting | 3,000 | 1/1 |
| | Total remuneration | 96,270 | |
| | Colin Hall (non-executive director) | Board | |
| Fixed annual fee | | 27,000 | |
| Fee per attended meeting | | 3,500 | 7/7 |
| Value of 1,000 granted shares retroceded to GBL | | 31,270 | |
| Audit committee | | | |
| Fixed annual fee | | 5,000 | |
| Fee per attended meeting | | 3,000 | 1/1 |
| Total remuneration | | 90,770 | |

REMUNERATION REPORT

| | | (IN EUROS) | MEETINGS ATTENDED | |
|---|--|------------------|----------------------|--|
| Ines Kolmsee (independent, non-executive director) | Board | | | |
| | Fixed annual fee | 27,000 | | |
| | Fee per attended meeting | 3,500 | 7/7 | |
| | Value of 1,000 granted shares | 31,270 | | |
| | Audit committee | | | |
| | Fixed annual fee | 10,000 | | |
| | Fee per attended meeting | 5,000 | 4/4 | |
| | Total remuneration | 112,770 | | |
| | Barbara Kux (independent, non-executive director) End of mandate: 25 April 2017 | Board | | |
| | | Fixed annual fee | 8,433 | |
| Fee per attended meeting | | 3,500 | 3/3 | |
| Value of 312 granted shares | | 9,756 | | |
| Nomination & remuneration committee | | | | |
| Fee per attended meeting | | 3,000 | 1/1 | |
| Total remuneration | | 31,689 | | |
| G rard Lamarche (non-executive director) Appointed by the AGM of 25 April 2017 | Board | | | |
| | Fixed annual fee | 18,567 | | |
| | Fee per attended meeting | 3,500 | 4/4 | |
| | Value of 688 granted shares retroceded to GBL | 21,514 | | |
| | Total remuneration | 54,081 | | |
| Eric Meurice (independent, non-executive director) | Board | | | |
| | Fixed annual fee | 27,000 | | |
| | Fee per attended meeting | 3,500 | 7/7 | |
| | Value of 1,000 granted shares | 31,270 | | |
| | Total remuneration | 82,770 | | |
| Jonathan Oppenheimer (non-executive director) End of mandate: 25 April 2017 | Board | | | |
| | Fixed annual fee | 8,433 | | |
| | Fee per attended meeting | 3,500 | 1/3 | |
| | Value of 312 granted shares | 9,756 | | |
| | Total remuneration | 21,689 | | |
| Rudi Thomaes (independent, non-executive director) | Board | | | |
| | Fixed annual fee | 27,000 | | |
| | Fee per attended meeting | 2,500 | 6/7 | |
| | Value of 1,000 granted shares | 31,270 | | |
| | Audit committee | | | |
| | Fixed annual fee | 5,000 | | |
| | Fee per attended meeting | 3,000 | 4/4 | |
| | Nomination & remuneration committee | | | |
| | Fee per attended meeting | 3,000 | 2/2 | |
| | Total remuneration | 96,270 | | |

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 are granted each year to the CEO and executive committee members in respect of the prior year and are subject to a three year lock-up period. As stock options are irrevocably taxable upon grant according to Belgian law, they vest at the time of granting and are therefore 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 the two year average Group ROCE and Group recurring EBIT growth (y, y-1) |
| 39 months | Deferred variable 25% | Based on the three year average Group ROCE and Group recurring EBIT growth (y, y-1, y-2) |
| 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 assessed by the nomination & remuneration committee subject to board approval. This table is applicable until the year of reference 2016. See G15 – “CEO & executive committee members’ deferred variable remuneration” for changes as of the year of reference 2017.

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 € 540,000, half of which involves an undeferred pay-out 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. Financial criteria include ROCE, recurring EBIT and EBITDA with budget and year-on-year progress being used as reference. Strategic and sustainable development objectives are tied to Horizon 2020 covering economic performance, value chain and society, eco-efficiency and great place to work.

REMUNERATION REPORT

On proposal of the nomination & remuneration committee, the board of directors of 9 February 2017 approved a new concept of the deferred variable remuneration applicable as of pay-outs in 2018. The new concept intends to reward for the quality of the results (Group ROCE criterion) and provide an incentive for growth (Group recurring EBIT growth criterion).

It was agreed that the current Group ROCE criterion for the deferred variable will remain in place and that an upward adjustment or additional variable will be considered based on Group recurring EBIT growth criterion.

The deferred variable remuneration i.e. the other half of the annual variable cash remuneration potential, is based on the Umicore Group profitability criterion, i.e. the Return on Capital Employed (ROCE), as published in the annual report. The deferred pay-out 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. The other half is paid after a period of three years using as a reference the three year average ROCE. The ROCE range is set between 7.5% (= pay-out of 0%) and a maximum of 17.5% (= pay-out of 100%). When the achieved ROCE percentage falls between the minimum threshold and the maximum target, the pay-out will be pro-rated.

The additional variable, based on the target of the deferred variable remuneration i.e. for the CEO € 270,000 (target of € 135,000 after a period of two years and target of € 135,000 after a period of three years), will be determined by adding to the target a percentage equal to twice the average Group recurring EBIT growth percentage over the last 2 years, respectively 3 years. A threshold of 2% average Group recurring EBIT growth will be applied, i.e. no adjustments for recurring EBIT growth below 2%.

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 2017 was 10,400 (after the split of each share into two new shares on 16 October 2017). 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 amounted in 2017 to 150,000 (after the split of each share into two new shares on 16 October 2017). 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 € 300,000, half of which involves an undeferred pay-out based on the annual individual performance (including adherence to the values of the Group, environmental and social performance).

On proposal of the nomination & remuneration committee, the board of directors of 9 February 2017 approved a new concept of the deferred variable remuneration applicable as of pay-outs in 2018. The new concept intends to reward for the quality of the results (Group ROCE criterion) and provide an incentive for growth (Group recurring EBIT growth criterion).

It was agreed that the current Group ROCE criterion for the deferred variable will remain in place and that an upward adjustment or additional variable will be considered based on Group recurring EBIT growth criterion. The deferred variable plan including the additional variable will be measured collectively for the executive committee members.

The deferred variable remuneration i.e. the other half of the annual variable cash remuneration potential, is based on the Umicore Group profitability criterion, i.e. the Return on Capital Employed (ROCE), as published in the annual report. The deferred pay-out 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. The other half is paid after a period of three years using as a reference the three year average ROCE. The ROCE range is set between 7.5% (= pay-out of 0%) and a maximum of 17.5% (= pay-out of 100%). When the achieved ROCE percentage falls between the minimum threshold and the maximum target, the pay-out will be pro-rated.

The additional variable, based on the target of the deferred variable remuneration i.e. for the executive committee members € 150,000 (target of € 75,000 after a period of two years and target of € 75,000 after a period of three years), will be determined by adding to the target a percentage equal to twice the average Group recurring EBIT growth percentage over the last 2 years, respectively 3 years. A threshold of 2% average Group recurring EBIT growth will be applied, i.e. no adjustments for recurring EBIT growth below 2%.

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 financial performance, the progress achieved against Group strategic and sustainable development objectives, and adherence to the values of the Group. Financial criteria include ROCE, recurring EBIT and EBITDA with budget and year-on-year progress being used as reference. Strategic and sustainable development objectives are tied to Horizon 2020 covering economic performance, value chain and society, eco-efficiency and great place to work.

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.

REMUNERATION REPORT

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 2017 was 7,400 (after the split of each share into two new shares on 16 October 2017). 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 amounted in 2017 to 35,000 (after the split of each share into two new shares on 16 October 2017). 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 include representation allowances, company cars and insurance benefits.

TOTAL CEO AND EXECUTIVE COMMITTEE REMUNERATION FOR 2017

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 EUROS) | | CEO | EXECUTIVE COMMITTEE (IN AGGREGATE) |
|--------------------------------|---|------------------|---------------------------------------|
| Status | | Self-employed | |
| Time to cash conversion | | | |
| Current year | Fixed | 680,000 | 2,435,000 |
| 15 months | Undeferred Variable 50% (ref year 2017) | 220,000 | 790,000 |
| 27 months | Deferred Variable 25% (ref year 2016) | 130,950 | 436,500 |
| 39 months | Deferred Variable 25% (ref year 2015) | 133,650 | 408,375 |
| 3 years | Shares | 425,360 | 1,815,960 |
| 3 to 7 years | Stock options | 583,500 | 816,900 |
| Pension | Defined contribution plan | 47,600 | 139,919 |
| | Defined benefits plan (service cost) | 123,808 | 595,018 |
| Others benefits | Representation allowance, benefit in kind company car, insurance benefits | 46,223 | 141,735 |
| Total | | 2,391,091 | 7,579,407 |

REMUNERATION REPORT

G14 SHARE AND SHARE OPTION OWNERSHIP AND TRANSACTIONS 2017

EXECUTIVE COMMITTEE SHARE OPTION OWNERSHIP AND TRANSACTIONS 2017*

| | OPTIONS AT 31 DEC 2016 | OPTIONS GRANTED IN 2017 | NUMBER OF OPTIONS EXERCISED IN 2017 | AVERAGE EXERCISE PRICE (IN EUROS) | YEAR OF GRANT OF OPTIONS EXERCISED | NUMBER OF OPTIONS FORFEITED | OPTIONS AT 31 DEC 2017** |
|------------------|---------------------------|-------------------------------|--|---|--|-----------------------------------|-----------------------------|
| Marc Grynberg | 930,000 | 150,000 | 330,000 | 18.410 | 2011 / 2012 | 0 | 750,000 |
| Stephan Csoma | 105,000 | 35,000 | 0 | - | - | 0 | 140,000 |
| Denis Goffaux | 140,000 | 35,000 | 35,000 | 18.187 | 2013 | 0 | 140,000 |
| Géraldine Nolens | 71,000 | 35,000 | 12,000 | 18.187 | 2013 | 0 | 94,000 |
| Filip Platteeuw | 105,000 | 35,000 | 12,000 | 16.143 | 2014 | 0 | 128,000 |
| Pascal Reymondet | 105,000 | 35,000 | 35,000 | 16.143 | 2014 | 0 | 105,000 |
| Marc Van Sande | 140,000 | 35,000 | 70,000 | 17.165 | 2013 / 2014 | 0 | 105,000 |

* The number of options and the exercise price take into account the share split on 16 October 2017.

** These options can be exercised at strike prices between € 19.035 and € 25.500 (value after the share split on 16 October 2017).

Details of all options exercised and other share-related transactions of executive committee or board members can be found on the FSMA website.

EXECUTIVE COMMITTEE SHARE OWNERSHIP 2017

| | SHARES OWNED AT 31/12/2016 | SHARES OWNED AT 31/12/2017 |
|------------------|-------------------------------|-------------------------------|
| Marc Grynberg | 630,400 | 767,600 |
| Stephan Csoma | 21,800 | 29,200 |
| Denis Goffaux | 37,800 | 42,200 |
| Géraldine Nolens | 4,700 | 12,100 |
| Filip Platteeuw | 22,800 | 30,200 |
| Pascal Reymondet | 50,300 | 57,700 |
| Marc Van Sande | 38,800 | 46,200 |
| Total | 806,600 | 985,200 |

BOARD OF DIRECTORS SHARE OWNERSHIP 2017

| | SHARES OWNED AT 31/12/2016 | SHARES OWNED AT 31/12/2017 |
|-------------------|-------------------------------|-------------------------------|
| Thomas Leysen | 909,840 | 883,960 |
| Liat Ben-Zur | - | 688 |
| Françoise Chombar | 6,684 | 1,684 |
| Mark Garrett | 1,666 | 2,666 |
| Colin Hall | - | - |
| Ines Kolmsee | 4,610 | 5,610 |
| Gérard Lamarche | - | 3,000 |
| Eric Meurice | 1,666 | 2,666 |
| Rudi Thomaes | 5,410 | 4,400 |
| Total | 929,876 | 904,674 |

CONTRACTUAL RELATIONSHIPS

CONTRACT BETWEEN UMICORE AND MARC GRYNBERG, CEO

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 to determine 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 12 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 Reymondet 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 2017

NON-EXECUTIVE DIRECTORS' REMUNERATION

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 compensation is appropriate with the exception of the fixed fee of the chairman of the board, which is far below market compared to European peer companies. The nomination & remuneration committee proposed to the board an adjustment of the fixed fee of the chairman with € 20,000 to a total fixed fee of € 60,000.

The board of directors of 8 February 2018 followed this recommendation and decided to submit this increase to the approval of the shareholders.

CEO'S REMUNERATION

On 7 February 2018, 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 8 February 2018 decided to increase the fixed remuneration of the CEO by € 20,000 to € 700,000 as of 1 January 2018.

EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

The nomination & remuneration committee of 7 February 2018 reviewed the remuneration of the executive committee members.

On proposal of the nomination & remuneration committee, the board of directors of 8 February 2018 decided to adjust the annual fixed remuneration of the executive committee members slightly for four members with a more significant salary adjustment for two, the total adjustment being 5.5% of the salary mass.

CEO & EXECUTIVE COMMITTEE MEMBERS' DEFERRED VARIABLE REMUNERATION

The nomination & remuneration committee reviewed the modalities for the deferred variable remuneration of the CEO and executive committee members. Upon proposal by the nomination & remuneration committee, the board of directors of 8 February 2018 decided to apply a minimum deferment of three years, applicable as of reference year 2017. There will therefore be one deferred variable based on a three-year period instead of the former practice with 50% paid out after two years and 50% paid out after three years.

The board also decided to maintain the additional variable based on average recurring EBIT growth but applying as of reference year 2017 a threshold of 10% minimum average recurring EBIT growth instead of 2%. There will therefore be no additional deferred variable for three-year average recurring EBIT growth below 10%.