SPECIAL REPORT BY THE BOARD OF DIRECTORS TO THE SHAREHOLDERS
on the use and purpose of the authorized capital
prepared in accordance with article 604 of the Belgian Companies Code (“BCC”)

The Board of Directors of UCB SA (the “Board”) hereby presents its special report in relation to the proposal to authorize the Board to increase UCB SA/NV’s share capital within the framework of the so-called authorized capital.

I. THE AUTHORIZED CAPITAL – CIRCUMSTANCES IN WHICH THE AUTHORIZED CAPITAL MAY BE USED

1. The Board proposes the shareholders of UCB SA/NV to authorize the Board to increase UCB SA/NV’s share capital, amongst other by way of the issuance of shares, convertible bonds or warrants, in one or more transactions, within the limits of article 603, section 1 of the Companies Code,
   i. with up to 5% of the share capital at the time of the decision of the Board to make use of the authorization, in the event of a capital increase with cancellation or limitation of the preferential subscription rights of the existing shareholders (whether or not for the benefit of one or more specific persons who are not employees of UCB SA/NV or of its subsidiaries) ¹,
   ii. with up to 10% of the share capital at the time of the decision of the Board to make use of the authorization, in the event of a capital increase without cancellation or limitation of the preferential subscription rights of the existing shareholders,
for a period of two years as of the publication in the State Gazette of the decision of the general shareholders meeting granting such an authorization.

Please note that the total amount by which the Board would be authorized to increase UCB’s share capital (amongst other by way of the issuance of shares, convertible bonds or warrants) (whether or not with cancellation or limitation of the preferential subscription rights of the existing shareholders (whether or not for the benefit of one or more specific persons who are not employees of UCB SA/NV or of its subsidiaries)) by a combination of the authorizations set forth in (i) and (ii) above, is limited to 10% of the share capital at the time the Board makes use of this authorization.

¹ However, see below, under 3.
For example, if at the time the Board resolves to make use of the authorized capital, UCB SA/NV’s share capital amounts to € 60 million, the Board may increase UCB’s share capital (including by way of the issuance of convertible bonds and warrants) with up to € 3 million (i.e. 5% of the then existing share capital) if it resolves to cancel or limit the preferential subscription rights of the existing shareholders (whether or not for the benefit of one or more specific persons who are not employees of UCB SA/NV or of its subsidiaries). However, if the Board does not resolve to cancel or limit the preferential subscription rights of the existing shareholders (whether or not for the benefit of one or more specific persons who are not employees of UCB SA/NV or of its subsidiaries), it can increase UCB SA/NV’s share capital with up to € 6 million (i.e. 10% of the then existing share capital).

Any such capital increase may take any form including, but not limited to contributions in cash or in kind, with or without share premium, and the incorporation of reserves and/or share premiums and/or profits carried forward, to the maximum extent permitted by the law.

Any decision to use the authorized capital by the Board will require a 75% majority within the Board.

2. The Board will be entitled to limit or cancel the preferential subscription rights of the existing shareholders (including for the benefit of one or more specific persons who are not employees of UCB SA/NV or of its subsidiaries), within the limits as set out above and as allowed under Belgian company law (see below, under 3).

If the Board resolves to limit or cancel the preferential subscription rights of the existing shareholders, it will prepare a special report setting out the justification of its decision, as well as the financial consequences thereof, and, if applicable, provide the identity of any specific persons benefiting from the limitation or cancellation. The statutory auditor will also prepare a report in that respect.

3. It is to be noted that, as a matter of Belgian company law, the Board cannot, within the framework of the authorized capital, decide to:
   - increase the capital mainly by way of contribution in kind exclusively reserved for a person holding more than 10% of the voting rights of UCB SA/NV² (art. 606, 1° BCC);
   - issue shares without nominal value and with a par value below the par value of the existing shares of the same category (art. 606, 2° BCC); or
   - issue warrants that are mainly reserved for one or more specific persons who are not employees of UCB SA/NV or its subsidiaries (art. 606, 3° BCC).

Furthermore, from the receipt of the notification by the Belgian Financial Services and Markets Authority that it has been informed of a public takeover bid on the UCB SA/NV’s financial instruments and until the end of such takeover bid, the Board can, again as a matter of Belgian

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² Taking into account (i) the voting rights held by such a person on its own behalf; (ii) the voting rights held by an agent in his own name, but for the account of such a person; (iii) the securities carrying voting rights held by persons affiliated with such a person (this includes all persons and legal entities which are part of the same horizontal or vertical group; and (iv) the voting rights held by persons acting in concert with such a person.
company law, not use its power (i) to increase the capital through contributions in kind or in cash with cancellation or limitation of the preferential subscription rights of the shareholders or (ii) to issue securities granting voting rights (whether or not representing the share capital) (or securities giving right to subscribe to or acquire such securities), if they are not offered by preference to the existing shareholders in proportion of their shareholding (art. 607, section 1 BCC).\(^3\) Even though the general shareholders meeting may expressly authorize the Board to do so under certain conditions determined by law with respect to any notification of a takeover bid received within 3 years, the Board does not request such specific authorization, so that it, in any event, it will not be able to make use of the authorized capital within the framework of a takeover bid.\(^3\)

4. Should the general shareholders meeting of JCB SA/NV approve this proposal of the Board, then article 6 of UCB SA/NV's articles of association will be amended to reflect the proposed terms and conditions for the use of the authorized capital (and therefore the circumstances in which the authorized capital may be used), as follows:

- Amendment of article 6 of the articles of association by adding the following paragraphs. The current sole paragraph will become the first paragraph of article 6:

> "The Board of Directors is authorized to increase the company’s share capital, amongst other by way of the issuance of shares, convertible bonds or warrants, in one or more transactions, within the limits set by law,

i. with up to 5% of the share capital at the time of the decision of the Board of Directors to make use of this authorization, in the event of a capital increase with cancellation or limitation of the preferential subscription rights of the shareholders (whether or not for the benefit of one or more specific persons who are not employees of the company or of its subsidiaries),

ii. with up to 10% of the share capital at the time of the decision of the Board of Directors to make use of this authorization, in the event of a capital increase without cancellation or limitation of the preferential subscription rights of the existing shareholders.

In any event, the total amount by which the Board of Directors may increase the company’s share capital by a combination of the authorizations set forth in (i) and (ii) above, is limited to 10% of the share capital at the time of the decision of the Board of Directors to make use of this authorization.

The Board of Directors is moreover expressly authorized to make use of this mandate, within the limits as set out under (i) and (ii) of the second paragraph above, for the following operations:

1. a capital increase or the issuance of convertible bonds or warrants with cancellation or limitation of the preferential subscription rights of the existing shareholders;

2. a capital increase or the issuance of convertible bonds with cancellation or limitation of the preferential subscription rights of the existing shareholders for

\(^3\) However, the obligations that would be validly entered into before the receipt of the abovementioned notification could be further completed (art. 607, section 2, 1st BCC).
the benefit of one or more specific persons who are not employees of the company or of its subsidiaries;
3. a capital increase by incorporation of reserves.

Any such capital increase may take any and all form, including, but not limited to, contributions in cash or in kind, with or without share premium, the incorporation of reserves and/or share premiums and/or profits carried forward, to the maximum extent permitted by the law.

Any decision of the Board of Directors to use this mandate requires a 75% majority.

This mandate is granted for a period of two (2) years as from the date of its publication in the State Gazette.

The Board of Directors is empowered, with full power of substitution, to amend the Articles of Association to reflect the capital increases resulting from the exercise of its powers pursuant to this section.”

II. PURPOSES FOR WHICH THE AUTHORIZED CAPITAL MAY BE USED

5. The technique of the authorized capital offers the Board a sufficient degree of flexibility and speed of implementation, which may be required in order to ensure an optimal pursuit of the interests of UCB SA/NV.

The relatively complex, expensive and time-consuming procedures for a listed company to have an extraordinary general shareholders meeting convened with a view to resolve upon a capital increase may, in certain circumstances, be incompatible with certain fluctuations on the capital markets or certain opportunities which may present themselves to UCB SA/NV or with certain threats which UCB SA/NV may be confronted with (with the exception of a public takeover bid, see (see below, under 3). The inability to, in such circumstances, timely have an extraordinary shareholders meeting convened may be to the detriment of UCB SA/NV.

Also, when UCB SA/NV wishes to admit one or more institutional, strategic or other shareholders to its capital structure or wishes to finance, pay (e.g. as consideration for any public takeover bid) or support (e.g. by way of “equity kicker”) a certain transaction (e.g. an acquisition (whether private or public) of securities or assets in one or more companies), capital expenditure or investment (in part or entirely) by way of issuing securities, convening an extraordinary shareholders meeting may, under the circumstances, lead, for instance, to a premature announcement of the relevant transaction which in turn may jeopardize the favourable outcome of the negotiations in respect of such transaction. In addition, making approval of the shareholders meeting a condition of such transaction, may, under the circumstances, jeopardize the ability to actually enter into such transactions.

The Board may also use the authorized capital in the framework of the remuneration policy of UCB SA/NV, including for the issuance of shares, stock options or warrants to employees,
directors, executives or consultants of UCB SA/NV and its subsidiaries, as well as to persons who in the scope of their professional activity have made themselves useful to UCB SA/NV and its subsidiaries.

Finally, the Board may consider using the authorized capital to remunerate shareholders in a particular manner, such as by paying a stock dividend.

6. The different approach depending on the preferential subscription rights of the existing shareholders and the qualified majority requirements put in place an appropriate balance for the use of the authorized capital.

7. The above-mentioned terms and conditions governing the use of the authorized capital and the above-mentioned purposes for the use of the authorized capital, all should be interpreted in the most extensive possible way.

Brussels, 19 December 2013

On behalf of the Board,

[Signatures]

Roch Doliveux
Director

Evelyn du Monceau
Director