



UCB SA/NV

**Statutory auditor's report to the general  
shareholders' meeting on the annual accounts  
for the year ended 31 December 2016**

22 February 2017

**STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF  
THE COMPANY UCB SA/NV ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED  
31 DECEMBER 2016**

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As required by law and the Company's articles of association, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the annual accounts, as well as the required additional statements. The annual accounts include the balance sheet as at 31 December 2016, the income statement for the year then ended, and the disclosures.

**Report on the annual accounts – Unqualified opinion**

We have audited the annual accounts of UCB SA/NV ("the Company") for the year ended 31 December 2016, prepared in accordance with the financial-reporting framework applicable in Belgium, which show a balance sheet total of EUR 8.001.837.531 and a profit for the year of EUR 160.622.918.

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

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

*Statutory auditor's responsibility*

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

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

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

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

*Unqualified Opinion*

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2016 and of its results for the year then ended in accordance with the financial-reporting framework applicable in Belgium.

**Report on other legal and regulatory requirements**

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

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

- The directors' report, prepared in accordance with articles 95 and 96 of the Companies' Code and to be deposited in accordance with article 100 of the Companies' Code, includes, both in terms of form and content, the information required by the Companies' Code, is consistent with the financial statements, and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.
- The social balance, to be deposited in accordance with article 100 of the Companies' Code, includes, both in terms of form and content, the legally required information and does not present any material inconsistencies with the information we have at our disposition in our audit file.
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' Code that we have to report to you.
- In accordance with article 523 of the Companies' Code, we are also required to report to you on the decisions of the Board of Directors of 25 February 2016, 27 July 2016 and 14 December 2016 relative to (1) the corporate results 2015 bonus pay-out, Long Term Incentive (LTI) award vesting and the 2016 targets, (2) the issuance of 840.000 stock options to approximately 350 employees with a vesting period of 3 years, (3) the allocation of 846.000 and 158.000 shares (or 1.004.000 shares in total) respectively to about 1.500 employees (Stock Awards) and to about 56 employees of upper management (Performance Share Plan), (4) the CEO compensation and LTI, including the base salary as from 1 March 2016, bonus pay-out 2016 (performance 2015) and the LTI 2016, (5) the increase in LTI target for the CEO, (6) appointment of the Chair and Vice Chair of the Board of Directors and (7) the appointment of a new member of the Governance, Nomination and Compensation Committee (GNCC).

These decisions were recorded in minutes, the text of which is taken in extenso in the management report on the consolidated financial statements. As explained in these minutes, the financial consequences of the decisions are that (1) the 2015 bonus pay-out based on the 2015 results (REBITDA), the REBITDA target for the 2016 bonus pay-out and the metrics used for the Performance Share Plan 2016-2018 (pay-out 2019) have been approved, (2) the issuance of 840.000 stock options in 2016 represents a cost to the company that corresponds to the difference between the purchase price of own shares by the company and the price of resale of these shares to the beneficiary upon exercise of the options, (3) the allocation of 1.004.000 shares (Stock Awards and Performance Share Plan) represents a cost to the company that corresponds to the value of the UCB shares at the time of vesting (vesting period of 3 years), (4) the annual base pay of the CEO will be EUR 996.400 as from 1 March 2016, the CEO bonus pay-out 2016 (performance 2015) will be EUR 1.210.626, and the CEO LTI will be 38.792 stock options (vesting period of 3 years and 8 months), 9.488 stock awards (3 years vesting period) and 19.660 performance shares (3 years vesting period) and (5) the increase in LTI target from 120% to 140% of the base pay is a potential increase in the LTI costs by 20%. Furthermore, the Board of Directors unanimously resolved (6) to appoint Evelyn du Monceau and Pierre Gurdjian as respectively Chair and Vice Chair of the Board of Directors with effect immediately after the Annual General Meeting (AGM) of 27 April 2017 and (7) to appoint Kay Davis as independent member of the GNCC, effective as from the AGM of 27 April 2017.

Brussels, 22 February 2017

The Statutory Auditor  
PwC Reviseurs d'Entreprises scrl / Bedrijfsrevisoren bcvba  
Represented by



Romain Seffer\*  
Registered Auditor

\*Romain Seffer SC SPRL  
Board Member, represented by its permanent representative,  
Romain Seffer