

Clariant's compensation philosophy is aimed at promoting and reinforcing the quality and commitment of employees.

Compensation framework

The purpose of this Compensation Report is to provide a comprehensive overview of Clariant's compensation concept and programs. In addition it includes the compensation levels of the Board of Directors and the Executive Committee; accordingly, some information in Note 14, pages 222 to 223, of the Financial Statements of Clariant Ltd is repeated here.

1. Members and responsibilities of the compensation committee of the Board of Directors

The Compensation Committee (CoC) during the 2015 reporting year comprised three non-executive members of the Board of Directors: Dominik Koechlin (Chairman until his death in July 2015), Rudolf Wehrli and Carlo G. Soave (new Chairman since 1 October 2015). From 1 October 2015, Peter Isler was nominated as new interim member of the Compensation Committee. The Secretary to the CoC is the Head of Corporate Human Resources. The Chairman of the CoC may invite the CEO to discussions on individual agenda items for consultation, taking into account potential conflicts of interest which would oblige him to abstain.

The CoC establishes principles for the compensation of members of the Board of Directors and submits these to the Board of Directors for approval. The Committee approves the employment contracts of the CEO and members of the Executive Committee (EC), subject to the approval of the total compensation by the Annual General Meeting (AGM). The Committee also takes note of employment contracts for the Heads of Global Functions, Global Business Units, and Region Heads, including their respective compensation. All appointments and dismissals that are within the purview of the

Board of Directors are submitted in advance to the CoC which, with regard to compensation aspects, makes a recommendation to the Board of Directors.

The CoC reviews global bonus, option, and share plans, and makes recommendations to the Board of Directors. Furthermore, the Committee reviews fringe benefit regulations, dismissal regulations, and contractual severance compensation with the CEO, members of the EC, Heads of Global Functions, Global Business Units and Region Heads (always in accordance with the Ordinance against Excessive Compensation in Stock Listed Corporations, OaEC).

As a rule the CoC holds at least three meetings per year:

- a) Winter:** Discussion regarding the executive bonus plan allocation, determination of bonus payments for members of the EC
- b) Summer:** Fundamental matters concerning the Group's HR priorities
- c) Autumn:** Preparation of the Compensation Report and planning of compensation changes in the following year

The CoC also meets as needed. In 2015 the CoC met four times and held several bilateral discussions and telephone conferences.

2. Compensation concept

Clariant wants to be an attractive employer with the ability to attract and retain qualified employees and experts throughout the world. In particular, Clariant's compensation policy for management is based on the following main principles:

a) The level of total compensation should be competitive and in line with market conditions, and enable Clariant to recruit international, experienced managers and experts, as well as secure their long-standing commitment to the Group. Our understanding of competitiveness is defined in our Positioning Statement. We are aiming for a range between the median and upper quartile of total compensation in the relevant local markets. Through this ongoing benchmarking, we are able to define local compensation structures, e.g. annual pay bands, which will be applied as an important factor in all salary decisions. For the update and accuracy of market conditions, we participate in local compensation benchmarking in all major countries and align all activities through global contracts with the global compensation consultants Hay Group and Mercer. Mercer also has other assignments for Clariant, e.g. in the benefits area. In addition, we encourage local HR managers to participate in local compensation networks and club benchmarks within the chemical industry to ensure access to relevant market information.

b) The structure of total remuneration should be highly performance- and success-oriented in order to ensure that shareholder and management interests are aligned. Clariant also defines in the global pay mix that with increasing responsibilities Short-Term and Long-Term Incentives will be increased. Success, in terms of bonus payouts, will generally be measured only in relevant financial Group Performance Indicators. Only if Clariant is successful, profits can be shared with our employees. Details are disclosed in chapter 3, beginning on page 133. Individual performance – measured through a consistent, global Performance Management system – is addressed in career development and annual salary reviews. Thus, each manager’s or employee’s performance is discussed on a yearly basis. In conjunction with other factors, such as internal and external market conditions, this results in transparency and consistent salary decisions. In general, we apply a four-eyes principle, specifically, the line manager and next level supervisor, as well as obtaining additional guidance from global or local HR processes.

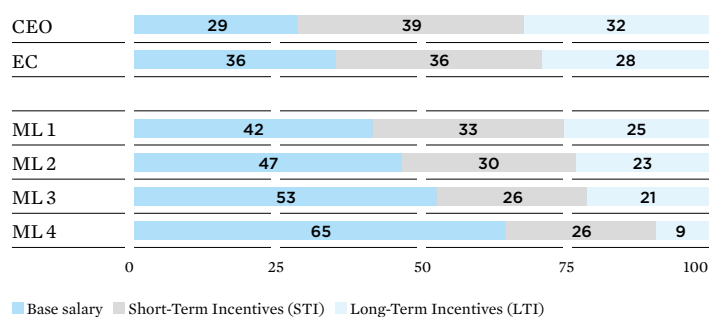
POSITIONING STATEMENT

| | |
|---|--|
| Benefits | Benefits represent local market practice and are aligned with Clariant’s global policies. |
| Long-Term Incentives (LTI) (only ML ¹ 1 – 4) | Investment reflects long-term commitment and supports our strong dedication to sustainable performance orientation. |
| Short-Term Incentives (STI) | The annual cash bonus targets aim to be more aggressive than market norms. |
| Base Salary (BS) | In general, we aim to be at median level in our respective markets and use different sources of compensation surveys (country-oriented, conducted by external consultants, including relevant peer companies in the chemical industry). |

¹ML: Management Level

GLOBAL PAY MIX (RELATIVE STRUCTURE)

in % of total compensation



c) Compensation components should be straightforward, transparent and focused, so as to guarantee all participants (shareholders, members of the Board of Directors, the CEO, members of the EC, and all global Management Levels) the highest degree of clarity and objectives orientation.

In order to uphold these principles, the CoC analyzes and discusses market developments at regular intervals and considers the implications of these developments for Clariant. The Articles of Association (art. 26 ss) – which have been approved in the AGM 2014 – therefore reflect Clariant’s commitment to market practice.

3. Overview of existing bonus plans

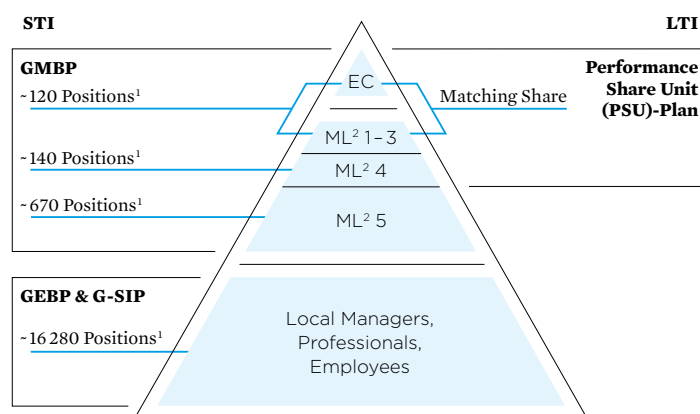
During the previous years, all relevant bonus plans for Short-Term Incentives (STI) and Long-Term Incentives (LTI) have been reviewed and redesigned to ensure the transition of Clariant, and to align with the business model. The key principles have been to reduce complexity, increase transparency, and ensure a coordinated and unified »One Clariant« approach throughout all employee groups and countries.

The following variable programs are currently in place for Clariant:

3.1. STI: Short-Term Incentive Plans (cash bonus)

- a) Group Management Bonus Plan (GMBP) – started in 2010
- b) Group Employee Bonus Plan (GEBP) – started in 2010/2011
- c) Global Sales Incentive Program (G-SIP) – started in 2011

BONUS LANDSCAPE of Clariant



¹Number of positions as at 31 December 2015

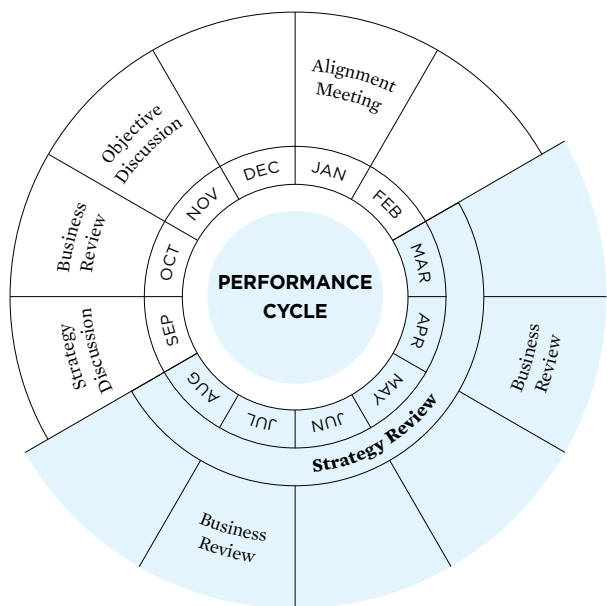
²ML: Management Level

3.2. LTI: Long-Term Incentive Plans (equity-linked bonus)

- a) Performance Share Unit (PSU) Plan – started in 2013
- b) Group Senior Management – Long-Term Incentive Plan (GSM-LTIP or Matching Share Plan) – started in 2010
- c) Restricted shares for the Board of Directors – started in 2012

The **Performance Cycle of Clariant** is based on a 12-month rotation, which starts in November each year with objective discussions focusing on the next business year. Group Performance Indicators (GPI), top priorities and related projects are included. In January, alignment meetings take place with key leaders of the company in order to cascade GPI objectives and priorities for the new year.

GENERIC PERFORMANCE CYCLE of Clariant



3.1. Short-Term Incentive Plans (cash bonus)

a) The Group Management Bonus Plan (GMBP) is anchored in the overall performance cycle at Clariant. Through intensive discussions and systematic alignment meetings, this cycle ensures a challenging business-specific target agreement for each Business Unit and Service Unit (BU/SU).

The individual amount of bonus payments generated in a year is determined by the achieved result of the Clariant Group measured against clear objectives. The achievement is calculated by means of three elements: financial result of the Group; financial results of Business and Service Units; and defined top priorities (Group Performance Indicators and strategic projects).

As Clariant Performance Cycle agreements with each BU lead to challenging business-specific target settings, and in order to exclude any »windfall profiting« or »hidden buffers«, the maximum bonus payout is explicitly capped at 100 % (= target). These target settings have been defined in the fourth quarter of 2014 and there was only a review in February due to the special impact of the Swiss franc currency situation after the Swiss National Bank's decision to abandon the euro - Swiss franc floor. As outlined in our compensation concept, we aim for a more aggressive pay-mix than is the norm in international markets; thus, this 100-percent approach ensures competitive positioning compared with other companies.

GROUP MANAGEMENT BONUS PLAN (GMBP) 2015 – Three pillars to balance the Bonus Plan

Group Performance Indicators

| GROUP ACHIEVEMENT How do we as a company perform with regard to our targets? | BUSINESS/SERVICE ACHIEVEMENT What are the business results/ contributions of my unit? | TOP PRIORITIES Have we acted focused and aligned on our unit priorities? |
|--|---|---|
| ROIC (aei) | EBITDA (bei) ROS % | 1) Improve Gross Margin IAS 2) Sustainable Inventory Mgmt 3) CLN-X benefits 4) Differentiated Steering 5) Topline Innovation Sales 6) LTAR |
| Operating Cash Flow (aei) | LC growth % | |
| | Cash Flow BU (aei) | |

Target Set (weighting) 2015

| GROUP ACHIEVEMENT How do we as a company perform with regard to our targets? | BUSINESS/SERVICE ACHIEVEMENT What are the business results/ contributions of my unit? | TOP PRIORITIES Have we acted focused and aligned on our unit priorities? |
|--|---|--|
|--|---|--|

EC:

| | |
|-------------------------------|-----|
| ROIC (aei) 30% | 40% |
| Operating Cash Flow (aei) 30% | |

BUs:

| | | |
|------------------------------|------------------------|-----|
| ROIC (aei) 5% | EBITDA (bei) ROS 15% | 30% |
| Operating Cash Flow (aei) 5% | LC growth 15% | |
| | Cash Flow BU (aei) 30% | |

SUs:

| | | |
|------------------------------|--------------|-----|
| ROIC (aei) 5% | SU Costs 60% | 30% |
| Operating Cash Flow (aei) 5% | | |

Achievements & Payouts 2015

| GROUP ACHIEVEMENT How do we as a company perform with regard to our targets? | BUSINESS/SERVICE ACHIEVEMENT What are the business results/ contributions of my unit? | TOP PRIORITIES Have we acted focused and aligned on our unit priorities? |
|--|---|--|
| 99% | 69 - 100% | 70 - 100% |

Legend:

ROIC = Return On Invested Capital
 EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization
 ae = after exceptional items
 be = before exceptional items
 ROS % = Return On Sales in %
 LC = Local currency
 NWC = Net Working Capital
 BU = Business Unit
 SU = Service Unit
 LTAR = Lost Time Accident Rate

The corresponding bonus payouts range between **53% - 100%** (EC = 99%)

As a principle, only collective/management team-related target achievements can serve as the basis for individual bonus payouts. An employee's individual performance will be honored in the annual review of total compensation and his/her career development. The prerequisite for this is an integrated People Performance Management, which plays a key role in building a High Performing Workforce and High Performance Culture – as defined in our People Excellence Strategy. In 2012, an adjusted People Performance Cycle was re-launched, including 360-degree feedback for all ML 1 – 5 grades.

The annual evaluation of the achievement of objectives and allocation of funds for the GMBP is conducted by the CoC in February, following the financial year in question, and approved by the Board of Directors. This system ensures that the bonus payments made to employees are closely aligned with the Group's overall results.

b) Cash bonus for non-management-levels: The **Group Employee Bonus Plan (GEBP)** ensures further alignment and standardization to all local bonus plans of the legal entities around the world. In general (where legally compliant and possible), all legal entities will apply the global Group Achievement or a combination of Group results and local Top Priorities as the bonus payout.

c) For the sales force: The **Global Sales Incentive Plan (G-SIP)** aims to establish dedicated and globally aligned local Sales Incentive Plans (SIPs) for all Sales Representatives, Sales Managers and Key Account Managers with clearly allocated annual sales budgets and commercial responsibilities (ML 1 – 4 excluded). The G-SIP focus is

on the individual sales performance and underlying Key Performance Indicators in the areas of sales, margin and trade receivables. As an example, a Sales Representative will receive tailor-made individual objectives for his allocated set of clients, which means a concrete sales target in local currencies, a »Deal Score« target, as an important indicator to measure the margin, and overdues and receivables as an indicator for trade receivables. Each objective is weighted and can be monitored using existing reporting systems. Thus, the direct impact of individual success and payout can be easily calculated. In 2011 the global roll-out started, and in 2015, approximately 1100 employees from every region were included. Employees can participate only in one global bonus plan (G-SIP or GMBP/GEBP).

3.2. Long-Term Incentive Plans (equity-linked bonus)

Clariant uses equity-based income components for approximately 280 of its senior managers worldwide (EC and ML 1 – 4).

a) The Performance Share Unit (PSU) Plan was introduced in 2013 for all senior managers and replaced the former Tradable Option Plan (»TOP@Clariant«). Key objective is a strong commitment to a higher profitability for Clariant and therefore to achieve our 2015 strategic targets.

The term of Clariant's Performance Share Unit Plan is a three-year vesting period. The vesting is conditional upon achievement of the performance target (check after three years). The relevant underlying Key Performance Indicator is EBITDA (before exceptional items) in percentage of sales and the performance target is to be at or above median of a defined peer group. The peer group was adjusted to replace companies which have disappeared due to M&A

activity (AZ Electronics and Rockwood) and to strengthen the Asian focus (new: Jiangsu Yoke, Teijin and Toray). If vesting and performance targets are achieved, one PSU will be converted to one Clariant share. The first PSUs were granted in 2013 and in Summer 2016 performance criteria will be checked (vesting in September 2016).

Membership is limited to the Executive Committee and selected senior managers of ML 1 – 4 (approximately 1.7% of employees). Eligible participants will receive a fixed number of PSUs, in accordance with an underlying share price defined over a 10-day trading period. Eligibility and endowment will be reviewed each year that the scheme is in operation. For 2015, it was decided in March to grant PSUs for 2015. The underlying share price was CHF 19.10. The grant was endorsed on 16 September 2015.

If an employee should voluntarily leave Clariant before the vesting period (three years) expires, all rights to shares which have not yet been transferred at that point in time become invalid. In case of retirement, disability or death of the participant, the employees (respectively the estate and/or heirs of the participant in case of death) will receive an immediate vesting on a pro-rata basis, in accordance with published regulations. The vested PSUs remain subject to the performance condition and will be allocated only at the end of the vesting period.

LIST OF RELEVANT PEERS

| | | |
|------------|-----------------|------------------|
| Akzo | EMS | Mitsui |
| Albermarle | Evonik | Omnova |
| Altana | Ferro | Polyone |
| Ashland | H & R | PPG |
| Axiall | HB Fuller | Schulman |
| BASF | Honeywell | Sherwin Williams |
| Borealis | Huntsman | Shinetsu |
| Braskem | ICL | Solvay |
| Cabot | Jiangsu Yoke | Symrise |
| Celanese | Johnson Matthey | Teijin |
| Chemtura | Kemira | Toray |
| Croda | Kraton | Umicore |
| Cytec | Lanxess | Valspar |
| DIC Dow | LG Chemicals | Wacker |
| DSM | Lonza | West Lake Chem |
| DuPont | Lyondell Basell | WR Grace |
| Eastman | Mitsubishi | |

b) Group Senior Management – Long-Term Incentive Plan (GSM-LTIP) = Matching Share Plan

The Matching Share Plan requires a personal investment decision and fosters the commitment of key managers (approximately 120 positions; EC and ML 1 – 3) for the long-term success of Clariant. Under this plan key managers have to invest part of their compensation in Clariant shares. Thus, this plan supports senior managers in meeting their requirement to permanently hold a minimum of 20 000 up to 100 000 shares depending on their management level. New participants will now have six years to catch up to the required investment thresholds.

Under the plan, eligible senior managers are entitled to receive a certain fixed percentage (investment quota of 20 %) of their annual cash bonus for the respective bonus year in the form of investment shares. Title and ownership in the shares are transferred at allocation (grant in April 2015) of the investment shares. These investment shares will then be blocked and held in a custody account for a period of three years. At the end of the blocking period, the participant is entitled to obtain for each investment share an additional share free of charge (matching share). This matching is subject to the condition of continued employment with Clariant throughout the blocking period. In case of termination of employment before the end of the blocking period, the right to matching shares lapses and a cash amount will be paid instead, equal to the pro rata temporis portion (considering employment during the blocking period).

The senior managers who do not participate in this plan, or do not invest according to the plan regulations, will forfeit 50 % of their annual cash bonus (with minimum level at 40 % of target cash bonus) and the eligibility to participate in any Long-Term Incentive Programs (including PSU Plan).

The decision to implement this plan was made to create a strong and sustainable link between the Clariant business cycle and the value development of the company. Senior managers therefore strengthen the entrepreneurial and value-creating spirit of the Clariant Group.

c) Restricted shares for the Board of Directors

This share plan introduced in 2012 allocates shares of Clariant Ltd to members of the Board of Directors. Board Members will receive a fixed portion of the annual fee allocated in the form of shares subject to a blocking period (»Restricted Shares«). The blocking period is three years from the date they are allocated. From the first business day after the blocking period, the Board member may free-

ly dispose of and trade these shares without any further restrictions (legal restrictions will remain applicable). The allocation is made once a year, at the end of the mandate year, four weeks prior to the Annual General Meeting (AGM).

The value of a grant is determined by the role and responsibility:

| | |
|-----------------------|-------------|
| Chairman of the Board | CHF 200 000 |
| Vice Chairman | CHF 150 000 |
| Member of Board | CHF 100 000 |

4. Structure of compensation for members of the Board of Directors

The compensation structure for members of the Board of Directors follows the outlined compensation concept for the performance year 2015.

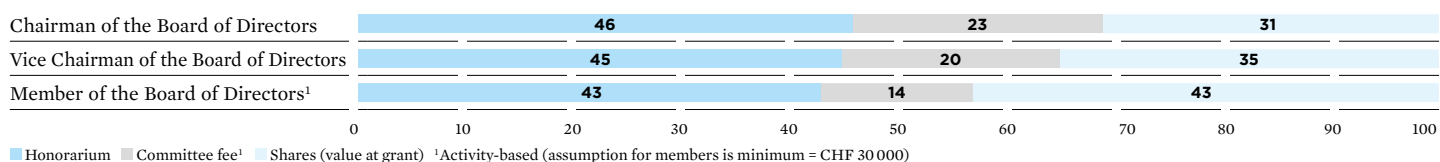
According to the aforementioned guidelines, remuneration of members of the Board of Directors is made up of the following components:

- a)** Annual basic fee
- b)** Committee membership fees
- c)** Share-based remuneration

Since the performance year 2012, the Board of Directors has decided to abandon option-based compensation for non-executive directors. It was replaced by the grant of restricted stock to enable the Board to participate in the long-term value creation of the company. In addition a new compensation policy was implemented with effective date 1 April 2012, which focuses more on a stronger acknowledgment of responsibilities and activities inside the committees.

The following graph illustrates the relative structure of the three components for 2015:

RELATIVE STRUCTURE OF TOTAL COMPENSATION (BOARD OF DIRECTORS) in % of total compensation



ANNUAL COMPENSATION OF THE BOARD OF DIRECTORS (STRUCTURAL OVERVIEW ONLY) in CHF

| | Chairman of the Board | Vice Chairman of the Board | Member of the Board of Directors | Total 2015 | Total 2014 |
|----------------------------|--|----------------------------|----------------------------------|------------------|------------|
| Cash compensation | | | | | |
| Honorarium ¹ | 300 000 | 200 000 | 100 000 | 1 100 000 | 1 100 000 |
| Committee fee ¹ | According to individual activity (see table below) | | | 730 000 | 730 000 |
| Social contribution | | | | | |
| Relevant amount | According to individual situation ² | | | | |
| Shares | | | | | |
| Value (at grant) | 200 000 | 150 000 | 100 000 | 950 000 | 950 000 |

¹ The fees are paid in cash, in equal parts in March and September.

² Actual details for 2015 see table page 140

COMMITTEE FEE

| | Chair | Member |
|-----------------------------------|---------|--------|
| Chairman's Committee | 120 000 | 60 000 |
| Audit Committee | 80 000 | 40 000 |
| Compensation Committee | 60 000 | 30 000 |
| Technology & Innovation Committee | 60 000 | 30 000 |

In order to fulfill the reporting needs outlined in the Ordinance against Excessive Compensation (OaEC) we will disclose the relevant Fair Market Value (FMV) figures for the calendar year in the following audited table.

| 2015 ANNUAL COMPENSATION - EMOLUMENTS TO MEMBERS OF THE BOARD OF DIRECTORS (FAIR MARKET VALUE = FMV) in CHF | | | | | | | | | | | |
|--|---------------|---------------|-------------|------------|-------------------------------|---------------------|-------------------------------|------------------|------------------------|-----------------|--------------------|
| | Rudolf Wehrli | Günter von Au | Peter Isler | Peter Chen | Dominik Koechlin ³ | Carlo G. Soave | Hariolf Kottmann ¹ | Dolf Stockhausen | Konstantin Winterstein | Susanne Wamsler | Totals 2015 |
| Cash compensation | | | | | | | | | | | |
| Honorarium | 300 000 | 200 000 | 100 000 | 100 000 | 91 668 | 100 000 | 0 | 25 000 | 100 000 | 75 000 | 1 091 668 |
| Committee fee | 150 000 | 100 000 | 147 500 | 60 000 | 58 334 | 127 500 | 0 | 7 500 | 40 000 | 22 500 | 713 334 |
| Social contribution | | | | | | | | | | | |
| Relevant amount ⁴ | 44 465 | 30 723 | 20 552 | 17 927 | 13 305 | 41 581 ² | 0 | 4 734 | 0 | 10 302 | 183 590 |
| Shares | | | | | | | | | | | |
| Fair market value (FMV) | 200 005 | 150 008 | 100 011 | 100 011 | 25 003 | 100 011 | 0 | 25 003 | 100 011 | 75 008 | 875 071 |
| Total 2015 (Fair market value 2015) | 694 470 | 480 731 | 368 063 | 277 938 | 188 310 | 369 092 | 0 | 62 237 | 240 011 | 182 810 | 2 863 663 |

| 2014 ANNUAL COMPENSATION - EMOLUMENTS TO MEMBERS OF THE BOARD OF DIRECTORS (FAIR MARKET VALUE = FMV) in CHF | | | | | | | | | | |
|--|---------------|---------------|-------------|------------|-------------------------------|----------------|-------------------------------|------------------|------------------------|--------------------|
| | Rudolf Wehrli | Günter von Au | Peter Isler | Peter Chen | Dominik Koechlin ³ | Carlo G. Soave | Hariolf Kottmann ¹ | Dolf Stockhausen | Konstantin Winterstein | Totals 2014 |
| Cash compensation | | | | | | | | | | |
| Honorarium | 300 000 | 200 000 | 100 000 | 100 000 | 100 000 | 100 000 | 0 | 100 000 | 100 000 | 1 100 000 |
| Committee fee | 150 000 | 90 000 | 140 000 | 60 000 | 100 000 | 120 000 | 0 | 30 000 | 40 000 | 730 000 |
| Social contribution | | | | | | | | | | |
| Relevant amount | 41 786 | 30 039 | 20 089 | 24 286 | 20 747 | 23 211 | 0 | 12 895 | 0 | 173 053 |
| Shares | | | | | | | | | | |
| Fair market value (FMV) ⁵ | 200 005 | 150 008 | 100 011 | 100 011 | 100 011 | 100 011 | 0 | 100 011 | 100 011 | 950 079 |
| Total 2014 (Fair market value 2014) ⁵ | 691 791 | 470 047 | 360 100 | 284 297 | 320 758 | 343 222 | 0 | 242 906 | 240 011 | 2 953 132 |

¹ After taking over the function as CEO, no further Board of Directors compensations are extended. Please refer to the Executive Committee table.

² Including additional compensation for project work

³ Dominik Koechlin passed away on July 12, 2015. Pursuant to applicable regulations he received honorarium and committee fees until end of July 2015 and the share compound of the compensation was also paid in cash.

⁴ Includes estimation for future social contribution related to the year 2015

⁵ Correction needed due to adjustments of final share price at grant

In both years there were no payments to former members of the Board of Directors nor were any loans or credits outstanding and or granted.

Please find on the next page the information about the actual share and option ownership of the Board of Directors.

SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS

| | Number of shares granted for 2015 ¹ | Number of shares granted for 2014 ² | Number of shares within vesting period for 2015 | Number of shares within vesting period for 2014 | Number of privately held shares for 2015 | Number of privately held shares for 2014 |
|------------------------|--|--|---|---|--|--|
| Rudolf Wehrli | 11 765 | 11 765 (correction of 12 904) | 0 | 0 | 54 897 | 43 132 |
| Günter von Au | 8 824 | 8 824 (correction of 9 678) | 0 | 0 | 35 556 | 26 732 |
| Peter Isler | 5 883 | 5 883 (correction of 6 452) | 0 | 0 | 116 204 | 64 375 |
| Peter Chen | 5 883 | 5 883 (correction of 6 452) | 0 | 0 | 18 704 | 12 821 |
| Dominik Koechlin | 0 | 5 883 (correction of 6 452) | 0 | 0 | – | 23 921 |
| Carlo G. Soave | 5 883 | 5 883 (correction of 6 452) | 0 | 0 | 33 804 | 27 921 |
| Hariolf Kottmann | – ³ | – ³ | – ³ | – ³ | – ³ | – ³ |
| Susanne Wamsler | 5 883 | – | 0 | – | 955 171 ⁴ | – |
| Konstantin Winterstein | 5 883 | 5 883 (correction of 6 452) | 0 | 0 | 6 008 744 | 6 002 861 |
| Former BoD members | 0 | 5 883 (correction of 6 452) | 0 | 0 | – | 11 594 625 |
| Total | 50 004 | 55 887 (correction of 61 294) | 0 | 0 | 7 223 080 | 17 796 388 |

OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS

| | Number of options granted for 2015 | Number of options granted for 2014 | Number of options within vesting period for 2015 | Number of options within vesting period for 2014 | Number of privately held options for 2015 | Number of privately held options for 2014 |
|------------------------|------------------------------------|------------------------------------|--|--|---|---|
| Rudolf Wehrli | 0 | 0 | 0 | 0 | 0 | 30 120 |
| Günter von Au | 0 | 0 | 0 | 0 | 0 | 0 |
| Peter Isler | 0 | 0 | 0 | 0 | 0 | 47 946 |
| Peter Chen | 0 | 0 | 0 | 0 | 0 | 0 |
| Dominik Koechlin | 0 | 0 | 0 | 0 | 24 096 | 47 946 |
| Carlo G. Soave | 0 | 0 | 0 | 0 | 24 096 | 24 096 |
| Hariolf Kottmann | – ³ | – ³ | – ³ | – ³ | – ³ | – ³ |
| Susanne Wamsler | 0 | 0 | 0 | 0 | 0 | 0 |
| Konstantin Winterstein | 0 | 0 | 0 | 0 | 0 | 0 |
| Former BoD members | 0 | 0 | 0 | 0 | 0 | – |
| Total | 0 | 0 | 0 | 0 | 48 192 | 150 108 |

¹ Number of shares will be defined in April 2016. Underlying assumption here is a share price of CHF 17.00.

² Correction needed due to adjustments of final share price at grant: Underlying assumption was CHF 15.50. Final allocation of shares with CHF 17.00, therefore the numbers of shares are different.

³ See EC overview on page 142

⁴ Thereof 240 271 held by »The Honoré T. Wamsler Trust«

The compensation for members of the Board of Directors is subject to the Swiss taxation and social security laws, with Clariant paying the employer contributions which are required. The members of the Board of Directors do not receive any lump-sum reimbursement of entertainment expenses above and beyond actual expenditure on business trips. For additional information for the Board of Directors, refer to Note 14 of the Notes to the Financial Report of Clariant Ltd, on pages 222 to 223.

5. Compensation of members of the executive committee

The CoC regularly reviews the level and structure of the compensation packages for members of the EC. In 2013 Clariant conducted selected market benchmarks regarding the chemical peers for the EC and the Board of Directors and enlarged our survey activities for all global positions around the world. In our Individualized Chemical Benchmark analysis, we focused on companies which are defined in our relevant peer group of the newly introduced Performance Share Unit (PSU) Plan (see page 136).

Key focus elements are:

- a) Comparison of management remuneration packages of European chemical companies with global scope
- b) Comparison of management remuneration of Swiss-based multinational companies

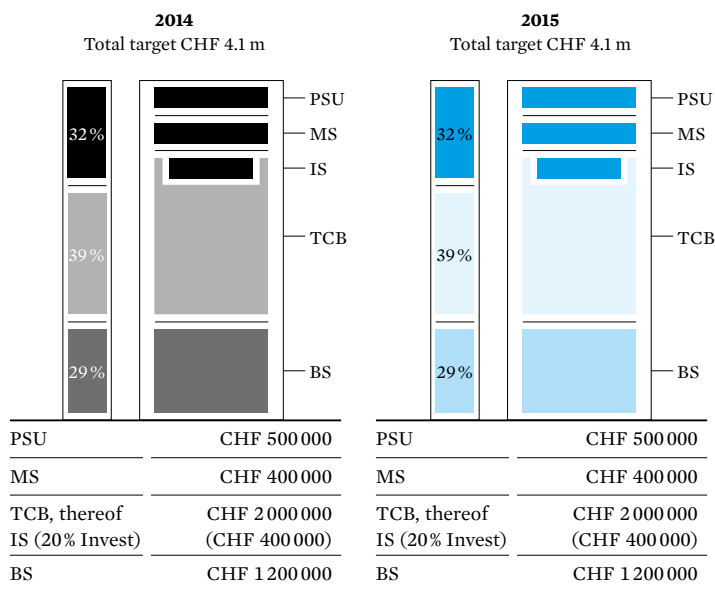
The bonus amounts of the total compensation packages are paid out in relation to the achieved results for a particular financial year. The actual bonus amounts may vary between zero and target values (= 100%) in the financial year in question.

Base salary and variable remuneration

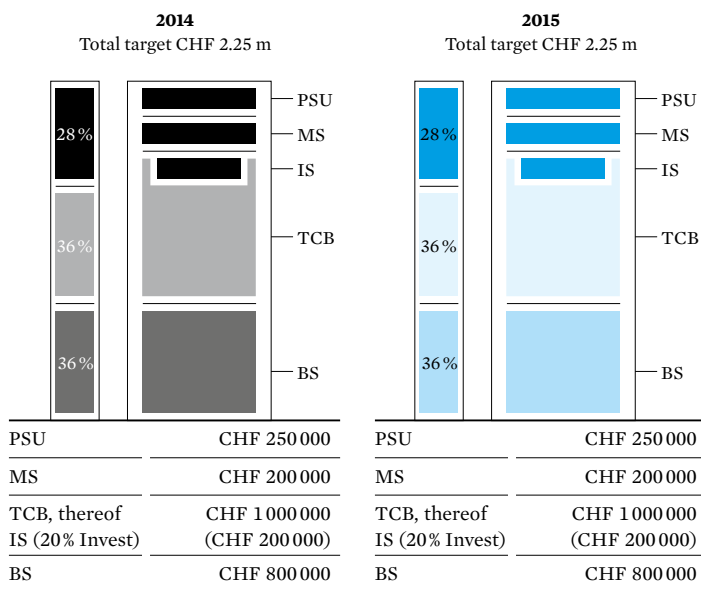
It is important to highlight that the Executive Committee participates in the same bonus programs as the senior managers. Therefore, they participate in the GMBP, Performance Share Unit Plan and the GSM-LTIP.

REMUNERATION STRUCTURE of the Clariant Executive Committee

CEO COMPENSATION¹



EC COMPENSATION¹



Legend:

BS = Base salary
 TCB = Target Cash Bonus
 IS = Investment Share
 Investment (minimum 20%) from Actual Cash Bonus into 3 years blocked shares (Value at Grant)

MS = Matching Shares
 1:1 Match of investment Shares after 3 years vesting period (Value at Grant)
 PSU = Performance Share Unit
 3 years vesting period with defined performance hurdle (Value at Grant)
¹without other benefits

As an outcome of the benchmarking exercise, the remuneration structure of the EC was adjusted in 2013 (after a fixation of terms in 2011 and 2012) to the following general structure for 2014 and 2015 (see chart above).

Other benefits

The members of the EC participate in the pension plans of the Clariant Group, notably the Clariant pension fund with an insured income of up to CHF 200 000 per annum, and the management pension fund with an insured income of up to a further CHF 646 000 per annum. The maximum insured income under the pension plans therefore stands at CHF 846 000 per annum. The CEO participates in Clariant's pension and insurance plans, additional pension provisions are accrued over time in order to match contractually granted retirement plans.

Clariant's pension plans conform with the legal framework of the occupational pension scheme (BVG). In future, the maximum contribution will be dynamically aligned with Art. 79c BVG. For members of the EC and all other Clariant employees, the insured income

is defined as the base salary plus 50 % of target cash bonus. Equity-linked income components are not subject to pensionable income. The usual term insurance policies for death and disability form part of Clariant's pension plans. The total employer contribution is approximately 11 % of the insured income in the case of the Clariant pension fund, and 22 % of the insured income in the case of the Clariant management pension fund. These contributions cover both the contributions to the formation of retirement capital, and the risk components. Under IFRS the Clariant pension fund is a defined benefit plan. The management pension fund provides the members with retirement capital upon retirement, pension payments are only accepted on exceptional basis.

During the year 2015, there was no personnel change within the Executive Committee.

In accordance with the reporting needs outlined in the Ordinance against Excessive Compensation (OaEC) we will disclose the relevant Fair Market Value (FMV) figures in the following audited table.

2015 ANNUAL COMPENSATION TO MEMBERS OF THE EXECUTIVE COMMITTEE (FAIR MARKET VALUE, FMV) in CHF

| | Hariolf Kottmann | Other EC members | Totals 2015 |
|-----------------------------|------------------|------------------|-------------------|
| Base salary | 1 200 000 | 2 400 000 | 3 600 000 |
| Cash bonus ¹ | 1 585 600 | 2 576 600 | 4 162 200 |
| Share-based bonus (FMV) | 1 209 158 | 1 358 480 | 2 567 638 |
| Other benefits ² | 1 674 403 | 1 588 909 | 3 263 312 |
| Total | 5 669 161 | 7 923 989 | 13 593 150 |

2014 ANNUAL COMPENSATION TO MEMBERS OF THE EXECUTIVE COMMITTEE (FAIR MARKET VALUE, FMV) in CHF

| | Hariolf Kottmann | Other EC members | Totals 2014 |
|--------------------------------------|------------------|------------------|-------------------|
| Base salary | 1 200 000 | 2 400 000 | 3 600 000 |
| Cash bonus ¹ | 1 472 000 | 2 208 000 | 3 680 000 |
| Share-based bonus (FMV) ³ | 1 146 235 | 1 719 435 | 2 865 670 |
| Other benefits ² | 1 563 048 | 1 411 275 | 2 974 323 |
| Total | 5 381 283 | 7 738 710 | 13 119 993 |

¹ Mandatory to invest 20 % of cash bonus into shares. Cash bonus displayed is already without the mandatory investments, which are included in the share-based bonus. Assumptions: share price at grant = CHF 17.00 (not fixed yet, final share price will be fixed in April 2016 and therefore the numbers of shares can change); cash bonus payout = 99.1 %

² Other benefits include contributions to pension funds and accrued pension benefits using IAS 19 (66 %) and social security (34 %).

³ FMV difference to Annual Report 2014 based on adjusted share price for the PSU grant (share price at booking 15.80 CHF instead of share price at grant of CHF 17.35)

In both years there were no payments to leaving members of the Executive Committee nor were any loans or credits outstanding and or granted.

So the overall total compensation 2015 to the Executive Committee was below the approved budget of CHF 14.5 million (94 %). This budget approval was made for the year 2015 at the Annual General Meeting in 2014.

Please find on the next page the information about the actual share and option ownership of the Members of the Executive Committee.

EXPLANATION OF NUMBERS OF SHARES GRANTED

| | Hariolf Kottmann | Patrick Jany | Christian Kohlpaintner | Mathias Lütgendorf | Total |
|--|------------------|---------------|------------------------|--------------------|----------------|
| Number of investment shares ¹ | 23 318 | 11 659 | 11 659 | 0 | 46 636 |
| Number of matching shares ¹ | 23 318 | 11 659 | 11 659 | 0 | 46 636 |
| Number of performance share units | 26 179 | 13 090 | 13 090 | 13 090 | 65 449 |
| Total number of shares | 72 815 | 36 408 | 36 408 | 13 090 | 158 721 |

SHARES HELD BY THE MEMBERS OF THE EXECUTIVE COMMITTEE

| | Number of shares granted for 2015 ¹ | Number of shares granted for 2014 ² | Number of shares within vesting period for 2015 | Number of shares within vesting period for 2014 | Number of privately held shares for 2015 | Number of privately held shares for 2014 |
|------------------------|--|--|---|---|--|--|
| Hariolf Kottmann | 72 815 | 66 161 (correction of 76 303) | 202 731 | 212 289 | 473 893 | 444 814 |
| Patrick Jany | 36 408 | 33 082 (correction of 38 152) | 107 526 | 115 569 | 304 973 | 265 168 |
| Christian Kohlpaintner | 36 408 | 33 082 (correction of 38 152) | 107 526 | 115 569 | 231 112 | 201 307 |
| Mathias Lütgendorf | 13 090 | 33 082 (correction of 38 152) | 107 526 | 115 569 | 61 830 | 292 213 |
| Total | 158 721 | 165 407 (correction of 190 759) | 525 309 | 558 996 | 1 071 808 | 1 203 502 |

OPTIONS HELD BY THE MEMBERS OF THE EXECUTIVE COMMITTEE

| | Number of options granted for 2015 | Number of options granted for 2014 | Number of options within vesting period for 2015 | Number of options within vesting period for 2014 | Number of privately held options for 2015 | Number of privately held options for 2014 |
|------------------------|------------------------------------|------------------------------------|--|--|---|---|
| Hariolf Kottmann | 0 | 0 | 0 | 0 | 0 | 383 682 |
| Patrick Jany | 0 | 0 | 0 | 0 | 0 | 191 841 |
| Christian Kohlpaintner | 0 | 0 | 0 | 0 | 0 | 120 000 |
| Mathias Lütgendorf | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 695 523 |

¹ Number of shares only estimated (underlying assumption CHF 17.00 per share and 99.1% bonus payout), will need correction in next year's Annual Report.

² Correction needed due to adjustments of final share price at grant: Underlying assumption was CHF 15.50 per share. Final allocation was done at CHF 19.71.

Report of the statutory auditor to the General Meeting on the remuneration report 2015

We have audited pages 140 and 143 of the compensation report of Clariant AG for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

Opinion

In our opinion, pages 140 and 143 of the compensation report of Clariant AG for the year ended 31 December 2015 complies with Swiss law and articles 14 – 16 of the Ordinance.

PricewaterhouseCoopers AG



Dr. Daniel Suter
Audit expert
Auditor in charge



Ruth Sigel
Audit expert

Basel, 15 February 2016

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