



Memorandum of Understanding supporting the information and/or consultation process related to the organizational transformation of the Solvay Group

Between

The Solvay Group represented by Patrick Marichal, Group Labor Relations Officer

And,

The Solvay Global Forum and the European Works Council represented by Albert Krufft, SGF Coordinator and Head of Select Committee EWC

Together "the Parties"

PREAMBLE

On March 15th 2022, Solvay announced the Power of 2 project (PO2) which consists of splitting the current group into two separate groups (hereinafter referred to as "the Project"). This Project will substantially change the Group's organization. This project will last over a minimum of a 12 to 18 month period before the Spin Off.

This Project will involve the reallocation of employees into new legal structures, at least for some of them, and the progressive adoption of new operating models within the two groups created from Day 1. The project will therefore lead to collective or individual transfers of employees as well as, subsequently, to the creation and suppression of positions.

In view of the importance of the Project, within the framework of a constructive and responsible social dialogue, the Parties would like to seize this opportunity to translate into concrete terms the social dialogue 2.0 approach that the parties aim to achieve in:

- increasing the level of transparency at the earliest stage of the project, where appropriate subject to confidentiality, allowing a real interaction on the Project,
- overcoming potential roadblocks through anticipation,

- being ready for a flexible and pragmatic approach ensuring the right pace to contain people's uncertainty and business needs,

- streamline the information and consultation process.

The Management has therefore proposed to the central representative bodies, an agreement setting out the approach by defining the terms and conditions of information and consultation of the employee representative bodies, by mutually agreeing the main steps and specifying the operating rules in order to guarantee harmonious consultation to the satisfaction of the respective parties within the time limits set.

The purpose of this Memorandum of Understanding (MoU) is to be implemented in the various countries where it is likely to be applied.

ARTICLE 1 - SCOPE, DURATION AND PURPOSE OF THE MoU

This MoU applies within the Solvay Group.

This is a fixed-term agreement. It is concluded within the framework of the Organizational Transformation Project of Power of 2 and it will end at the Spin Off Date. It may be however extended during 6 months by adhesion of one or another of the newly created groups.

This agreement is intended to cover the following topics:

1. Definitions
2. Governance
3. Social information / consultation process sequence and timeline
4. International coordination and interdependence
5. Employees Representatives consultation means
6. People guiding principles
7. Representative bodies

ARTICLE 2 – DEFINITIONS

Day 0 - Announcement (March 15th 2022):

Day to announce the project to both internal and external stakeholders .

Day1 (*expected end of Q1 2023*) :

Specialty Co and Essential Co are managed as two distinct groups with their own staff subsequent to the employee transfer and mostly standalone with interdependencies monitored via Transition Services Agreements ("TSAs").

Spin Off date (expected H2 2023):

Specialty Co and Essential Co are two distinct and listed groups

End State

Specialty Co and Essential Co are fully standalone groups (including end of TSA), and envisaged organizational transformation has happened (expected post 2025).

DOM : Day 1 Operating Model – Intermediary organization model at Day 1 to ensure a smooth transition towards TOM and secure business continuity

TOM : Target Operating Model – End-state model to be reached by both SCO and ECO (a portion of it should be reached by Day 1).

ARTICLE 3 - GOVERNANCE

By delegation, the Group Management, the Solvay Global Forum and the European Works Council mandate an ad hoc committee ("the Ad Hoc Committee") representing the countries most concerned, which will then have the mission to translate this MoU at the national level where it is likely to be applied.

It will be up to each of the components of this working group to report back to its mandators.

The composition of this Po2 working group committee is shown in the annex 1.

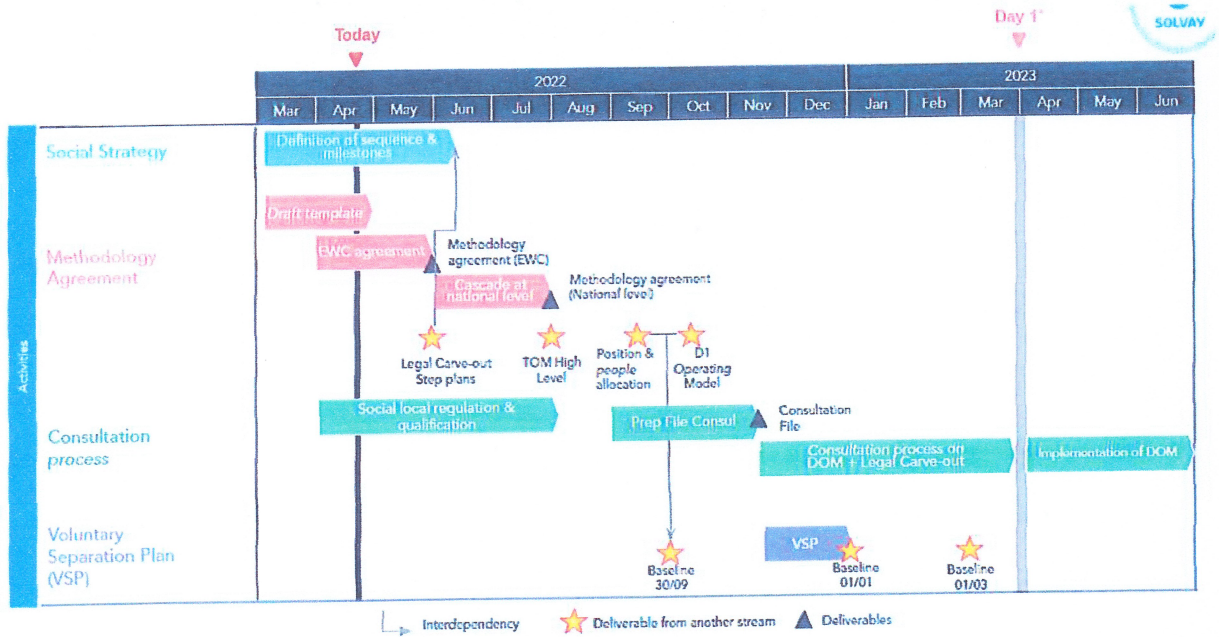
The parties agree that, in case a country is materially affected but not listed, the select committee may propose the revision of the Ad Hoc Committee .



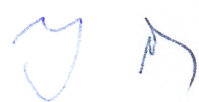
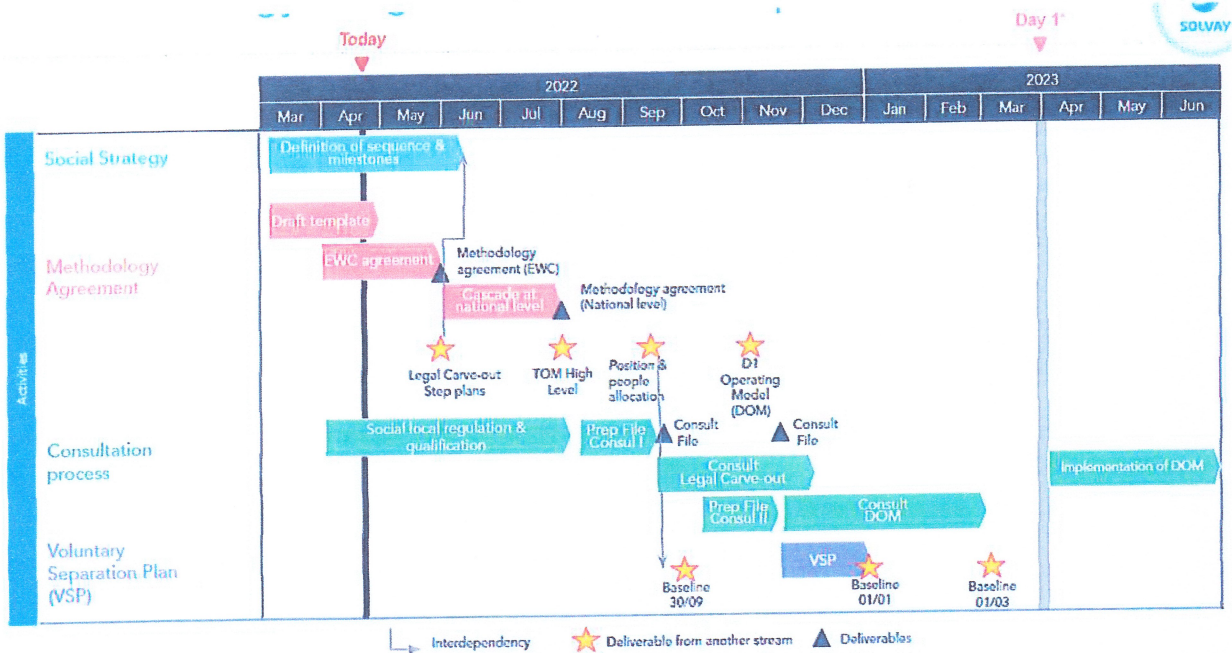
ARTICLE 4 – SOCIAL INFORMATION / CONSULTATION PROCESS PROPOSED SEQUENCE AND TIMELINE

The timeline is illustrative and may change over time.

OPTION 1



OPTION 2



The Parties undertake to maintain an ongoing dialogue about the Project and to communicate the relevant information as soon as possible, with the common understanding that it is still subject to change.

The formal information-consultation process will start ~ 3 months before the trigger event (Legal carve out and/or Day 1).

The Parties undertake to respect the established sequence and duration presented above and to complete the social procedures in due time for Day1. Each of the parties undertakes to inform the other party of any element that could jeopardise the smooth running of the procedure so that it can be remedied in good time.

The precise schedule of meetings, possibly remotely, will be established in agreement with the members of the Ad Hoc Committee, and Management will ensure that enough meetings are scheduled to tackle in due time all the topics raised by the representatives. In addition, summary notes will be systematically taken.

The Management has organized a "Hotline" email box system ("Powerof2@solvay.com"), for collecting the questions from any employee, and providing the answers in a central repository accessible to anyone.

The representatives acknowledge the fact that the validity of the information provided will be subject to the validation of the Project under the governance of the Solvay Group.

Taking into account the ongoing information process preceding the formal information-consultation, and subject to the relevance of the information provided, the concerned Employee representative body agrees to close the discussion 3 months after the inception of the formal information-consultation by providing a formal opinion.

ARTICLE 5 – INTERNATIONAL COORDINATION AND INTERDEPENDENCE

The information provided to the Ad Hoc Committee will be systematically communicated, subject to confidentiality, to the various employee representative bodies legally established in the various countries and will be considered as part of the local procedure. The working language will be English. Translation will be provided on request.

In view of the transversal nature of the project, the parties agree to focus, within the countries concerned and subject to the local regulation, on the national level for holding the formal information-consultation procedure.

The Parties acknowledge that the EWC plenary may be in a position to provide a valid formal opinion despite the fact that one or few countries have not provided their formal opinion yet.

The Parties agree that the implementation process could be sequenced and independant by country.

ARTICLE 6 – EMPLOYEE REPRESENTATIVES CONSULTATION MEANS

6.1. Compensation and travel expenses

All expenses related to the missions described in this agreement setting out the Ad Hoc Committee shall be taken care of by the company. The employees' representatives are released of their work-related duties whilst still receiving their salary.

Members of the Ad Hoc Committee should be given reasonable time necessary to carry out their duties. In case of difficulty, the intermediation of HR and, in particular, of the Labor Relations Officer will be required, and if needed the Group Labor Relations Officer.

6.2. Experts

The representatives will preferentially use internal experts. This does not, however, preclude the possibility of calling upon an external expert whose assistance and scope of the mission content will be agreed with the Management.

The parties agree to use their best efforts to obtain a single, common expertise mission at international and national level, which can cover the needs of central and local procedures.

The Management shall cover the costs of experts.

6.3. Content of the information-consultation file

It is agreed that the formal information-consultation procedure will be proceeded in different steps

STEP 1:

Step 1 presents the high level approach (new models, key drivers for change, overview of headcount (HC) at the inception of the procedure. This will allow interactions, debates and inputs from the different stakeholders.

the dossier will contain the following elements:

1. Legal Carve-out
 - a. Contemplated sequence and foreseen timeline
 - b. Legal entity overview:
 - i. Simplified view of current legal entity landscape
 - ii. Simplified view of target legal entity between ECo/SCo
 - c. Legal entity view by country
 - i. Current vs. target legal entity structure with allocation ECo/SCo



- ii. Qualification of the type of reorganization schemes (i.e. NewCo, Share deal, Asset deal)
- d. HR consequences (collective and individual)
- e. Summary tables of both collective / individual transfers of positions from one legal entity to another one

2. Day1 Operating Model ("DOM")

- a. A summary of the rationale for the Project implementation with contemplated timeline
- b. The high-level presentation of the organizations of the 2 new Groups of companies, namely Essentials Company ("ECo"), and Specialty Company ("SCo"):
 - i. Overview N-1 to N-3 structure, with guiding principles of the operating model, highlighting key changes vs current organisation, and rationale;
 - ii. Focus on the superstructure of each GBUs/Functions, with scope of responsibilities, key changes vs current organisation, and rationale
- c. Sizing with number of positions figures (in total, with split by Country / GBUs / Functions / / Sub-Functions (when relevant)).
- d. List of potential TSAs contemplated.
- e. Summary tables of positions created / suppressed / geographical transfers by country and legal entity

The Management may decide to launch a Voluntary Separation Program (VSP) of which modalities will be discussed with the Ad Hoc Committee.

STEP 2:

Step 2 would allow to integrate and adapt the organization to Step 1 as well as the outcome of a possible Voluntary Separation Program before finalizing the social process. It may require 4 to 6 weeks.

STEP 3:

Step 3 will allow to provide detailed information, proceed to individual communications, finalization of the procedure.

The dossier will contain, but not be limited to :

1. Confirmation of sizing with number of positions figures (in total, with split by Country/Site/GBUs/Functions// Sub-Functions (when relevant))
2. Location for the N-1 + N-2 positions (if applicable) (N is CEO)
3. The granularity of job positions and their location; which will be reserved to national / local level.
4. Update of summary tables of positions created / suppressed / geo transfers by country and entity

5. Update of summary tables of positions collective / individual transfers from one legal entity to another one

Organizational charts will be presented as per the Corporate tool with an indication of the location (country/ site) wherever known.

The HC baseline reference date will be the one of 2 months before the consultation starting date. The baseline will be updated at the end of the consultation process.

ARTICLE 7 – PEOPLE GUIDING PRINCIPLES

7.1. Hiring and mobility policy

During the transition period, until Spin-off, the Solvay mobility rules will remain applicable as per current policy. In addition a "Smart Hiring" principles & governance will be set-up regarding Hiring & Internal mobility, to preserve value creation of the two future companies, with a special focus on Cadre positions created or replaced in the Business Support Activity area.

7.2. Operating models approach

Different steps have to be distinguished in defining the operating models of the future organizations.

- Target Operating Model (TOM) high-level principles
- D1 Operating Model (DOM) high level design
- D1 Operating Model (DOM) detailed design

The Management will ensure adequate information of the Ad Hoc Committee at the different steps.

7.3. People allocation process

The aim is to allocate each employee currently belonging to the Solvay Group to one of the perimeters, as a consequence of the Spin-off project, based on current activities aligned with business models (organizational standpoint) and legal entity (legal standpoint).

Position and people allocation process should lead to the set-up of two robust companies, having necessary resources and talents to operate, in line with Business mandates and operating models. Business continuity of each perimeter is a priority, in case of arbitration needed between the two new Groups of companies. Allocation will be performed with a clear and transparent process. Each employee will have clear visibility on his allocation 3 months before Day1 the latest.

Individual allocation would be defined considering the activity mainly performed by each employee period of 12 months before Announcement (i.e. >50% activity spent based on time or other factual relevant criteria) , except in case of new position/Function), assessed by the current Management.

As a principle, GBUs Operations will remain "As-Is" (i.e. manufacturing sites, commercial and operations), and related support activities will be transferred.

For highly entangled support activities, these could be allocated collectively to one Company and provide services to the other, to ensure business continuity as standalone (e.g. SBS, Digital/Technology).

In any case, Position & People allocation process will comply with applicable local regulations. Human Resources Function shall ensure fairness and consistency, and be able to assess if the allocation and criteria defined have been properly applied, in accordance with business, and validate any exception.

7.4. Nomination process

Following Target Operating Model design as a consequence of the Spin-off, new positions will have to be staffed according to the above described "smart hiring" process. An evolution of an existing position for less than 50% of its material content will be considered as an evolution and not a new position.

The current Solvay policy has to be followed. Executive positions (S23+) may or may not be posted. All other positions must be communicated for a minimum of two weeks before it can be advertised to external candidates. Any open positions posted externally should remain posted internally until they are filled and any internal candidate may apply as long as the position is still open.

The Nomination process should comply with Solvay Group objectives on Diversity, Equity & Inclusion. Candidates appointments should not be confirmed prior to the end of the consultation social process. Priority should be given to internal candidates.

7.5. Social guidelines principles

As new operating models are adopted, it is highly likely that some functions will be created but also that others will be suppressed depending on the models retained. The Company will act in full alignment with Solvay's values, ethics and respect for people. The Company will attempt to limit social impact and forced redundancies. The company wishes to accompany these changes with a base of social measures applicable to all situations.

- The Company will be attentive to psychosocial risks, identify and deploy mitigation actions according to the Corporate WellBeing at Work program.
- Social measures will be discussed locally with financial and non-financial allowances in line with country market standards.
- Adapted training will be provided to repositioned employees (when necessary)

- Application process is followed by a trial period (according to the country procedures to include a mid term evaluation) during which both parties can retract (duration defined locally). Employee keeps access to leaving package in case of trial period cancellation.
- Outplacement support, provided by external experts, will be systematically proposed if no internal repositioning opportunity is identified.
- (External) repositioning platform [to be discussed]
- Post Spin-Off mobility [to be defined after discussions with the Ad Hoc Committee]

7.6. Voluntary Separation Program (VSP) and Voluntary Leave

(i) The Management will have the option to launch a Voluntary Separation Program (VSP). The Eligibility rules, the scope, the quotas, the period will be discussed with the Ad Hoc Committee but ultimately decided by the Management. In any case, the employer will keep its discretionary decision power to accept or refuse an application for leaving the company.

(ii) On impacted positions : employees whose position is suppressed will be eligible for early voluntary departure (before the initial date of suppression) but subject to an agreed notice period of minimum 3 months.

(iii) Through solidarity mechanism : non-impacted employees could be eligible if this prevents, directly or indirectly, redundancy of an impacted employee (considering reasonable skills' matching enabling repositioning mechanism). This is subject to managerial and HR approval.

7.7. Change Management

The company will put in place an engagement and change supporting activity aiming first to give visibility where possible to employees so they can continue to work in the best conditions while getting prepared for the future. Those activities will mobilize usual channels such as internal communication (Solvay One, Currents, townhalls...), pulse, peer sessions, and some new means such as a new ambassadors community (in charge of sharing informations, mobilizing managers in each entity to lead listening sessions), roadshow with top leaders. The main contribution from employees before day 1 will be the success of the business continuity and preparing the adjustment of ways of working in the 2 new companies in due time. A special attention will be provided to those who are the most impacted by the change and uncertainty.

ARTICLE 8 – REPRESENTATIVE BODIES

8.1. Solvay Global Forum

In case of substantial change of the scope and/or structure of the Group, the parties will remain committed to build on the long-standing positive collaboration and commitment to the values of this agreement. At the time of the change, the parties will convene with the common goal to continue the Solvay Global Forum Agreement in the new entities, achieving the ownership and support from all stakeholders. Subject to the parties' agreement, this Solvay Global Forum Agreement will then be considered valid for its remaining duration in the new entities.

8.2. European Works Council

The two new companies will install a European Works Council as soon as possible in accordance with the applicable legislation.

For a limited period of time and subject to legal compliance possible constraint, a Liaison Office between the two Select Committees of 4 people will be organized in order to discuss with the Management the topics related to the separation. Liaison Office members will be appointed by the EWCs.

8.3. National and site Works Council

The organisation of the local representative bodies will be managed according to the local regulations. If allowed, a limited transition period with a common Works Council can be considered.

ARTICLE 9 – FINAL PROVISIONS

In the event of a dispute, the parties commit to do their utmost to find a solution through conciliation. This agreement, deemed authentic in its English language version, shall be submitted to the Belgian authorities. Belgian Law shall be the applicable law. Should the case be taken to court, the Belgian court shall be the competent authority (Brussels).

Brussels, May 31st, 2022,

For Solvay SA,



Patrick Marichal

Group Labor Relations Officer

For the Solvay Global Forum
and European Works Council



Albert Kruff

Coordinator SGF and
Head of Select Committee EWC

Ad hoc Committee

Country	Member Representative	Member Management
France	Sébastien Leonard Daniel Kempf	Maud Goujon-Coulard Pierre-Etienne Samier
Belgium	Nicolas Deligne	Patrick Marichal Dries Decraen
Italy	Andrea Capelli	Gianluca Giannetti
Portugal	Helena Ferreira	NA
UK	Louise Collett	NA
Netherlands	Marco Roumen	NA
Germany	Albert Kruff	Wolfgang Hackelbörger
China	Jie Dong	Claire Wang
US	Gregory May and Jeffrey Hill	Steve Cozzetto

