

SOLVAY

CANADA: TAX SUMMARY: ESPP

This note applies to Purchased Shares purchased, Matching Share Awards and Free Share Awards granted under the ESPP, is correct as at May 2022 and assumes that the employee is Canadian tax resident and has been at all times from the purchase of the Purchased Shares, grant of Matching Share Awards and Free Share Awards to the vesting of a Matching Share Award or Free Share Award or sale of shares.

This information is provided for general guidance only and the actual tax consequences will depend on your own individual circumstances. If you are in any doubt as to your tax position, you should seek independent tax advice.

EMPLOYEE

1. Will I be taxed when I buy Purchased Shares?

No – you will not have to pay any income tax or social security contributions when you buy Purchased Shares.

2. Will I be taxed when I am granted the Matching Share Award or Free Share Award?

No – you will not have to pay any income tax or social security contributions when you are granted a Matching Share Award or Free Share Award.

3. Will I be taxed when the Matching Share Award or Free Share Award vests?

Yes - you will need to pay income tax and social security contributions on the market value of the shares you receive on vesting of your Matching Share Award or your Free Share Award. Your employer will withhold the income tax and social security contributions due.

For the 2022/23 tax year:

1. income tax rates follow a graduated scale based on income level and range from 15% to 33%. Additional provincial personal income tax may apply depending on your province of residence and income level;
2. you are required to make contributions to the Canada Pension Plan (or the Québec Pension Plan if you are a Québec employee) at 5.7% (or 6.15% if you are a Québec employee) up to a maximum earnings level of \$61,400 (\$64,900 if you are a Québec employee);
3. you are required to pay premiums for Employment Insurance at 1.58% (premiums differ if you are a Québec employee, which have a separate provincial Parental Insurance scheme) up to a maximum earnings level of \$60,300 (maximum earnings level differ if you are a Québec employee); and
4. additional provincial payroll taxes may apply depending on your province of residence.

4. Will I be taxed when I sell my shares?

If the sale proceeds on the sale of your shares exceed the market value of the shares on the date you received them, you will need to pay personal income tax on the difference between the market value of the shares (i) at vesting for Matching Share Awards and Free Share Awards and (ii) at purchase for Purchased Shares, and the market value of the shares on sale, on 50% (or 75% if you are an employee in Québec) of the gain as applicable.

Capital gains are taxed at the income tax rates above.

Your employer will not withhold any capital gains tax due and it is your responsibility to pay and report this in your personal tax return by 30 April of the following year.

5. Will I be taxed when I receive my dividends?

Dividends will be paid on your Purchased Shares and they are subject to income tax when they are paid. The applicable tax rate will depend on the nature of the dividend paid, your income level and your province of residence.

A Canadian tax credit may be available for any foreign tax paid or withheld.

Your employer will not withhold any tax due on your dividends and it is your responsibility to pay and report this in your personal tax return by 30 April of the following year.

If any tax is withheld in Belgium in respect of your dividend, then to avoid any double taxation, a tax deduction or tax credit may be available if your country has a double tax treaty with Belgium. You will need to apply to your tax authority to claim the tax deduction or tax credit.