

SOLVAY

FRANCE: 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 French 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 Free Share Award. Your employer will withhold the income tax and social security contributions due.

For the 2022 tax year:

1. the income tax rate is up to 45% plus (i) 3% on any income exceeding €250,000 and (ii) 4% on any income exceeding €500,000; and
2. social security contributions apply at the rates of 20% to 23%.

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 a "flat-tax" at a rate of 30% 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 unless you voluntarily opt for a submission to income tax rates at progressive rates and to social charges at 17.2%.

Your employer will not withhold any tax due and it is your responsibility to pay and report this.

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 and social security contributions when they are paid. Your employer will withhold the income tax and social security contributions due.

For the 2022/23 tax year, dividends will be subject to income tax at 12.8% (plus (i) 3% on any income exceeding €250,000 and (ii) 4% on any income exceeding €500,000) and social security contributions at 17.2%.

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.