

SOLVAY

ITALY: 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 Italian 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 Awards 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?

You will not have to pay any income tax or social security contributions when you buy Purchased Shares, provided that the purchase price is not less than the "normal value" of the shares on the acquisition date. The "normal value" of the shares on this date is assumed to be equal to the average stock exchange price of the shares in the period between the acquisition date and the same date of the preceding month.

If the purchase price is less than the "normal value" of the shares, the amount of the difference between (i) the "normal value" of the shares on acquisition; and (ii) the purchase price is subject to income tax plus local surtaxes, where applicable, and social security contributions.

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 (including regional and municipal surtax) and social security contributions on the average stock exchange prices of the shares in the period between vesting and the same date of the preceding month. Your employer will withhold the income tax and social security contributions due.

For the 2022 tax year:

1. income tax rates range from 23% to 43% (an additional 10% may apply if the value of the shares exceeds 3 times your fixed remuneration);
2. regional surtax will apply at a rate of 0.7% to 3.33%;
3. municipal surtax will apply at a rate of 0% to 0.9%; and
4. employee social security contributions apply at a rate of 9% to 10%.

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

If the sale proceeds on the sale of your shares exceed the tax base of the shares on the date you received them, you will need to pay capital gains tax on the difference between the tax base 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.

Capital gains are taxed at a rate of 26%.

Your employer will not withhold any capital gains 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 (at a rate of 26%) on the gross amount of dividends received.

Your employer will not withhold any tax due on dividends and it is your responsibility to pay and report this in your annual income tax return (or an equivalent form if you are not required to submit a return).

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.