

Speech of Nicolas Boël, President of the Board of Directors

Ladies and gentlemen

Dear friends and shareholders,

It is my pleasure to welcome you to this ordinary and extraordinary general meeting for the year 2020.

I know that many of you are following this Meeting on a screen. I would like in particular to welcome Madame Solvay, our Honorary Presidents and my colleagues on the Board of Directors.

The circumstances of these General Meetings are, you will agree, exceptional! They are mandatory due to the precautionary health measures. This is why we are holding them remotely.

We are eager, however, to find a way to see each other again in person very soon and to exchange views without these constraints.

Exceptional context

I would like to start this General Meeting with a deep and heartfelt but positive thought for each of you, your families and your friends. Covid19 has struck each of us and our families with vulnerability and separation. For those who have a loved one in a hospital or retirement home, there is additional anxiety and distress of not being able to take care for them. For many among us, we also worry about the coming days: how will we succeed in overcoming this virus and at what cost?

However, as always, in these unprecedented circumstances, devotion to others, compassion and altruism become evident in a remarkable and admirable way. Front-line healthcare professionals demonstrate for us, every day, the meaning of the Hippocratic Oath and all that it entails. They have our heartfelt thanks! This crisis also shows us the real values humanity needs: protection of life, health, solidarity and the ties that unite us.

This is also true for the Solvay Group, which has been operating for several months, in China, and more recently in Europe and also in America, in a restricted way, with empty offices and contact reduced to a minimum. And yet our factories continue to operate at the service of our customers. Innovative projects and collaboration still continue thanks to technology; friendly and social relationships are organized, no longer centred around the coffee machine but virtually. The Solvay spirit is always present.

On behalf of the Board of Directors and myself, I would like to thank all employees of the Solvay Group, whatever their function, level or geographic location, for their commitment, professionalism, solidarity and the support provided during the last few months.

We realize that the weeks and months ahead will certainly be difficult, but it is with this spirit, this solidarity and this determination that we will emerge from this stronger together.

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We must navigate by sight, concentrate on the microscope, and take difficult decisions, which will certainly touch and have an impact on many units of the Group. These measures are necessary to deal with the crisis we are facing.

It is in this context that the Group has committed to taking social protection measures for all of its employees worldwide: basic coverage in the case of sick leave related to COVID-19, basic temporary health and salary coverage in case of unemployment.

At the same time, we must also think and reflect on how the Group will be when we emerge from this crisis. Our strategy will need to be adjusted, opportunities will be created and we will have to be agile enough to seize them.

Robustness and resilience of the Group

Our group has a long history. As is always the case, this history is made up of high points, discoveries and collective achievements, but also difficult periods during wars and economic downturns. Each time the Group has transformed itself and emerged stronger and more united.

This is because our Group is resilient and robust.

Robust: The Solvay Group is diversified, not only geographically, but also in terms of products and markets. This diversification allows it to absorb the impact of such a crisis on a very broad sales base. Our cash-flow, liquid assets and reserves are robust and have been structured to withstand more difficult periods. The sale of the Polyamides business finalized at the end of January reinforces our cash position. Our Investment Grade has been maintained by the three rating agencies.

Resilient: The results for 2019 are a demonstration of this: A rich and complex year, with numerous customer markets already in a downward cycle, we lived up to our commitments: operating profit consistent with our forecasts, free cash-flow structurally at a record level and significant deleveraging. Also in regards to sustainability, we continued our progress towards our mid-term objectives.

Safety, efficient use of resources, reduction in greenhouse gases, sustainable solutions, inclusion and diversity are all areas in which the ambitions and objectives of the Group have been reaffirmed with determination.

Organization and leadership team battle-ready

These results are also the fruit of our management team reorganization, enabling alignment to the Group objectives. The role and mandate of all Business Units are clearly defined and shared, centred on the customer and in the interest of the Group. “One Solvay”, this is what we call our new operational model. Adherence, cooperation and respect for commitments are the glue that holds it together.

Team spirit around a common project with an organization and a discipline around specific objectives and mandates for each of the activities is the synthesis.

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Ilham Kadri is the architect and the builder of this project! In the name of the Board of Directors, I would like to thank her for her commitment every minute, her strength and serenity in the midst of these difficulties.

EX-2019 Dividend

Concerning the dividend, the Board of Directors decided during its February meeting to keep it at last year’s level, consistent with its dividend policy and in line with the 2019 stable results.

It is obvious that since February the world has changed. The Solvay Group cannot remain indifferent to this upheaval which will have heavy consequences for our employees and their families, despite our social measures.

This is why Solvay has decided to set up a COVID-19 solidarity fund. The sums collected will be allocated to the Group’s employees and their close family who, because of the COVID-19 emergency, find themselves in a very difficult situation or great distress due to health, education of their children, an unemployment situation, the limitation or loss of their health and social-welfare coverage. And this in particular in countries where social coverage is low or non-existent.

Called the Solvay Solidarity Fund, this fund has been placed under the aegis of the King Baudouin Foundation.

It will be funded by voluntary contributions from Solvay’s directors, our CEO and the members of our Executive Committee, from all members of senior management as well as any employee who so wishes. Personally, as you know, I have decided to give up the next six months of my total remuneration as Chairman of the Board to help this fund. Senior management has decided to take a 15% cut in their salaries starting this year.

The shareholders are an essential and indivisible component of our Solvay community. This is why the Board of Directors decided to propose you make a voluntary contribution to this solidarity fund by giving up 33% of the gross balance of your ex-2019 dividend being offered to you today.

You are overwhelmingly in favour! Please accept my heartfelt thanks. You have again shown that, as throughout its history, the Group’s shareholders are at the heart of its humanist values.

Governance

- Activity of the Board of Directors

The Board's activity in 2019 included supporting our CEO in the detailed strategic review exercise she conducted with the Executive Committee, which led to the announcement of the GROW strategy in November.

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Once this was communicated, the Board supported and ensured that these changes in the organisation and mandates of the different GBUs were reflected in the remuneration structure, with the objective of creating an effective alignment between mandate, objectives and results.

Since the beginning of this year the Board has given ever greater support to our CEO and the management team to deal with the COVID-19 crisis by making the best decisions.

Composition of the Board of Directors

This year will mark an important change within the Board because our most long-standing director, Jean-Marie Solvay, has decided not to seek a renewal of his mandate. It is extremely difficult to sum up in a few words all that Jean-Marie has contributed over all these years. The son of Jacques Solvay, CEO then Chairman of the Group, he first followed a career outside the Group, but as soon as he joined the Board in 1991 he set out to discover the Group in depth. Around the Board table, it was the themes of Research, Innovation and the strategic choices that flow from them which he championed. Entrepreneur, man of the field, passionate about science, it is he who still embodies today the renewal of the International Institutes of Physics and Chemistry. Of a rare humility, he contributed and still contributes to the Belgium’s scientific influence in the world by continuing the work of our great-great-grandfather Ernest: Bringing together scientists from all cultures and origins to advance science for the progress of humanity.

Jean-Marie also incarnates, in his line of descent, the long-term family shareholder; it is thanks to him that the spirit of the Group’s long-term reference shareholders has continued to this day.

Dear Jean-Marie, personally I am particularly sad to say goodbye to you today through the intermediary of a screen. Since my arrival as a member of the Board, you have been an unfailing inspiration, example and support. Please accept my deepest thanks!

To replace Jean-Marie, we propose the election of Ms Aude Thibault de Maisières (CV). A Belgian, married to a Greek citizen, living in London, a graduate of the Sorbonne, of Columbia University and the London School of Economics, she brings with her not only her international experience but also an in-depth knowledge of different sectors: International Finance, Cultural Fundraising, Entrepreneurial and University Research. Her areas of expertise and interests cover in particular Strategy, Innovation and Human Resources. Aude will introduce herself to you in a little while through a short video.

- Composition of the Board Committees

Also at the end of this General Meeting, the two-year mandates of the Board Committees will expire. They will be renewed by mobilizing in the best way possible the wealth and diversity of the expertise and experience of our directors. The new composition of these Committees is presented in our Declaration of Governance which is appended to the Annual Report.

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- Stock price

Last year, the share price increased by approximately 18% to EUR 103.3 from EUR 87.32 at the end of 2018.

Since the start of 2020, the share price has declined by approximately 29%. It fell sharply by about 36% in the first quarter due to the anticipated impact of the Boeing 737MAX, the weakness of the automotive and oil and gas markets. This compares to our peer group average decline of about 23%. Solvay's share then rebounded by about 11% as the second quarter began, supported by strong first quarter results.

- Extraordinary General Meeting

We will conclude with an Extraordinary General Meeting, as announced last year, to bring our statutes into line with the New Company Code. We take advantage of this opportunity to propose two flexibility measures: the first concerns the use of authorized capital and the second the buying back of shares. These proposals are in line with market practice and have been approved by the proxy agencies. Remember that these provisions cannot be used defensively in the case of a tender offer.

To conclude, it is team spirit, experience and discipline that have made the responsiveness of these last few months possible. The Board, which is, as you can imagine, very close to management, is impressed by the solidity and commitment of everyone in the sites, countries, GBUs and Functions. All of this has been driven, led by the example and control of Ilham and its Executive Committee.

The coming months will not be easy for anyone! Know that we will find our way through them with clear-headedness, commitment and confidence!

My thoughts are with you and your families, and I thank you again for your confidence!