

**5.4.3.** The Executive Committee takes its decisions by a simple majority, with its Chairman having a casting vote. If the Chairman of the Executive Committee finds himself in a minority he may, if he wishes, refer the matter to the Board of Directors which will then decide on the matter. In practice, however, almost all Executive Committee decisions are taken unanimously, so that the Chairman has never made use of his casting vote.

Attendance at meetings was close to 100% in 2009. The Executive Committee has not appointed any specialist Committees from among its members. For important projects, however, it does set up ad hoc working teams, led mainly by General Managers chosen on the basis of the competences required. The Executive Committee regularly invites other employees to its discussions on specific subjects.

**5.4.4.** Every two years the Executive Committee holds an off-site meeting to discuss the group's strategic directions. A meeting of this type was organized in 2008, devoted mainly to the direction to be taken concerning Sustainable Development.

## 6. Compensation report

### 6.1. Description of the procedure for:

#### 6.1.1. Developing a compensation policy:

- a) for Directors:  
Directorships of Solvay SA are remunerated with fixed emoluments, the common basis of which is set by the ordinary Shareholders' Meeting, and any complement thereto by the Board of Directors on the basis of article 27 of the by-laws, which states that "Directors shall receive emoluments payable from

overhead costs; the shareholders' meeting shall determine the amount and terms of payment. That decision shall stand until another decision is taken.

The Board of Directors shall be authorized to grant directors with special duties (the Chairman, vice-chairmen, directors charged with day-to-day management, members of the Executive Committee) fixed emoluments in addition to those provided for in the above paragraph.

Each of the Directors responsible for day-to-day management is also entitled to variable compensation determined by the Board of Directors on the basis of their individual results and of the consolidated results of the Solvay Group. The sum referred to in the two preceding sub-sections are also paid out of overhead costs."

b) for Executive Committee members: compensation policy is decided by the Board of Directors based on proposals by the Compensation and Appointments Committee.

In 2005, based on a proposal by the Compensation and Appointments Committee, the Board of Directors updated its compensation policy for its main senior managers, including the members of the Executive Committee. This policy is set out in an annex 2 to this document.

#### 6.1.2. Setting individual compensation:

- a) for Directors:  
(i) The June 2005 Ordinary Shareholders' Meeting decided to set Directors' pay, starting from the 2005 financial year, as follows:  
– on the one hand to grant an annual gross fixed compensation of EUR 35 000 per Director and, on top of this, an attendance individual fee of EUR 2 500 gross per Board meeting attended;

– and on the other hand to confirm the Audit Committee attendance fees, namely: EUR 4 000 gross for members and EUR 6 000 gross for the Chairman;

– and, lastly, to grant attendance fees, for the Compensation and Appointments Committee and for the Finance Committee, of EUR 2 500 gross per member and EUR 4 000 gross for the Chairmen of these Committees;

– but with the specification that the Chairman of the Board, the Chairman of the Executive Committee and the Executive Directors would not receive attendance fees for taking part in these Committees.

- (ii) The Board of Directors has made use of the authorization conferred on it by article 27 of the by-laws to grant an additional fixed compensation of EUR 228 176 gross to the Chairman of the Board of Directors by reason of the work load and the responsibility attached to this task. The Chairman of the Board of Directors also receives an amount of EUR 427 953 a year to compensate the postponement of his rights to the Solvay complementary pension, which should have been paid at the end of his mandate as Chairman of the Executive Committee, but which has not owing to his mandate as Chairman of the Board.
- (iii) Directors do not receive any variable compensation linked to results or other performance criteria. They are not entitled to stock options, nor to any supplemental pension scheme.
- (iv) The company reimburses Directors' travel and subsistence expenses for meetings and while exercising their Board and Board Committee functions. The Chairman of the Board of Directors is the sole non-executive Director having permanent support provided by the Group

(office, secretariat, car). The other non-executive directors receive logistics support from the General Secretariat as and when needed. The company also carries customary insurance policies covering the activities of Board Members in carrying out their duties.

- b) for Executive Committee members: The compensation of the Chairman and the members of the Executive Committee is set as a global gross amount. This includes not only the gross compensation earned at Solvay SA, but also amounts deriving, contractually or as directors' emoluments,

from companies throughout the world in which Solvay SA holds majority or other shareholdings. Individual compensation is set by the Board of Directors based on recommendations by the Compensation and Appointments Committee.

### 6.2. Declaration concerning compensation policy for the Chairman and members of the Executive Committee:

The compensation policy adopted by the Board of Directors in 2005, and which remained valid for the 2009 financial year, is set out in an annex to this document. The Board intends

to adapt this policy in 2010 to reflect the changes brought about by the Corporate Governance legislation. This policy contains: the basic compensation principles, indicating the relationship between compensation and performance, including the criteria for assessing the Executive Committee member in relation to the objectives, and the relative importance of various compensation components.

### 6.3. Amount of the compensation and other benefits granted directly or indirectly to Directors (executive and non-executive) by the company or by an affiliated company. (see table below)

#### GROSS COMPENSATION AND OTHER BENEFITS GRANTED TO DIRECTORS

Compensation	2008		2009	
	Gross amount	Including Board of Directors and Committee attendance fees	Gross amount	Including Board of Directors and Committee attendance fees
A. Michielsens				
– Fixed emoluments + attendance fees	57 500.04	22 500.00	55 000.04	20 000.00
– “Article 27” supplement	225 207.86		228 175.94	
– Compensation for complementary pension rights	422 385.97		427 952.70	
N. Böel	62 500.04	27 500.00	62 500.04	27 500.00
D. Solvay	60 000.04	25 000.00	62 500.04	27 500.00
C. Jourquin	57 500.04	22 500.00	55 000.04	20 000.00
H. de Wangen	52 500.04	17 500.00	17 701.63	5 000.00
J-M. Solvay	57 500.04	22 500.00	55 000.04	20 000.00
G. de Selliers	81 000.04	46 000.00	87 500.04	52 500.00
Wh. Sadler	81 500.04	46 500.00	71 500.04	36 500.00
J. van Zeebroeck	62 500.04	27 500.00	62 500.04	27 500.00
J-M. Folz	57 500.04	22 500.00	62 500.04	27 500.00
K. Van Miert*	62 500.04	27 500.00	27 500.02	10 000.00
U-E. Bufe	62 500.04	27 500.00	12 701.63	
B. de Laguiche	57 500.04	22 500.00	55 000.04	20 000.00
B. Scheuble	71 000.04	36 000.00	77 000.04	42 000.00
A. van Rossum	71 000.04	36 000.00	72 500.04	37 500.00
C. Casimir-Lambert	73 500.04	38 500.00	75 000.04	40 000.00
H. Coppens d'Eeckenbrugge			37 298.41	15 000.00
Ms. P. Mateos-Aparicio Morales			44 798.41	22 500.00
	<b>1 675 594.48</b>	<b>468 000.00</b>	<b>1 649 629.26</b>	<b>451 000.00</b>

\* Deceased on June 22, 2009.



#### 6.4. Amount of compensation and other benefits granted directly or indirectly to the Chairman of the Executive Committee.

(see table below)

The Chairman of the Executive Committee has requested that the Board of Directors reduce for 2009 his variable compensation to EUR 497 494, by way of exception to the policy set by the Board, which would have permitted him to receive an amount of EUR 697 494. Readers are reminded that in 2008 he had requested that the Board of Directors reduce his variable compensation to EUR 216 093, by way of exception to the policy set by the Board, which would have permitted him to receive an amount of EUR 616 093.

The Chairman of the Executive Committee receives stock options as explained below.

In the area of extra-legal pension rights, given his self-employed status in Belgium, the Chairman of the Executive Committee has his own separate contractual regime, with pension, death-in-service and disability rules that are financially comparable with those applicable, leaving aside any contributions, to his Executive Committee colleagues related to the Pension Regulations for executives in Belgium.

Given that he is aged over 60, any early departure of the Chairman of the Executive Committee would be deemed retirement. This means that no severance indemnity would be owed to him. The Chairman of the Executive Committee would be entitled to his pension capital given his recognized service at the date of departure. In the case of retirement prior to age 65, a reduction of 0.5% by month of anticipation is applied to this capital.

#### 6.5. Global amount of compensation and other benefits granted directly or indirectly to the six other members of the Executive Committee by the company or an affiliated company.

(see table below)

Executive Committee members receive stock options as explained below.

Executive Committee members' expenses, including those of its Chairman, are governed by the same rules as apply to all Group management staff, that is: the justification of all business expenses, item by item. Private expenses are not reimbursed. In the case of mixed business/private expenses (like cars), a proportional rule is applied in the same way as to all management staff in the same position.

In the area of insurance, the Company subscribes the same type of cover for Executive Committee members as it does for its senior managers.

Pensions and retirement and death-in-service coverage for Executive Committee members are based in principle on the provisions of the schemes

applicable to senior executives in their base countries.

#### 6.6. Stock options

(See table page 169)

In December 2009 the Board of Directors allotted, on the proposal of the Compensation and Appointments Committee, stock options to around 300 senior Group managers.

The exercise price amounts to EUR 72.34 per option, with a three-year non-exercise period. Executive Committee members together were granted 117 000 options in 2009, compared with 112 000 in 2008.

#### 6.7. The most important provisions of their contractual relationships with the company and/or an affiliated company, including the provisions relating to compensation in the event of early departure.

Executive Committee members, including the Chairman, have directorships in Group subsidiaries as a function of their responsibilities. Where such directorships are compensated, they are included in

Compensation and other benefits granted to the Chairman of the Executive Committee	2008	2009
Base compensation	774 266	776 804
Variable compensation	216 093	497 494
Pension and death-in-service and disability coverage (costs paid or provided for)	209 661	222 907
Other compensation components <sup>1</sup>	13 410	18 601

Compensation and other benefits granted to the other members of the Executive Committee	2008	2009
Base compensation	2 633 232	2 687 778
Variable compensation	1 628 323	1 711 110
Pension and death-in-service and disability coverage (costs paid or provided for)	605 462	463 928
Other compensation components <sup>2</sup>	107 492	120 220

1. Company vehicles.  
2. Representation allowance, luncheon vouchers, company car.

the amounts given above, regardless of whether the position is deemed to be salaried or undertaken on a self-employed basis under local legislation.

No Executive Committee member, including the Chairman, benefits from any "golden parachute" clause. If their service ends early, only the legal system applies.

## 7. Chairmen's roles in achieving harmony between the Board of Directors and the Executive Committee

The Chairman of the Board of Directors and the Chairman of the Executive Committee work together to harmonize the work of the Board of Directors (including its committees) with that of the Executive Committee.

The following measures have been introduced to achieve this:

- the two Chairmen meet as often as is necessary on matters of common interest to the Board of Directors and the Executive Committee;
- the Chairman of the Board of Directors is invited once a month

to join the Executive Committee meeting during its discussion of the most important items on which proposals will be made to the Board of Directors;

- the Chairman of the Executive Committee (along with the Finance Manager, a member of the Executive Committee), is also a member of the Board of Directors, where he presents the Executive Committee's proposals.

## 8. External Audit

The audit of the company's financial situation, its financial statements and the conformance of the same with respect to the Companies' Code and the by-laws, and of the entries to be recorded in the financial statements, is entrusted to one or more auditors appointed by the Shareholders' Meeting from among the members, either physical or legal persons, of the Belgian Institute of Company Auditors.

The mission and powers of the auditor(s) are those set by the law. The Shareholders' Meeting sets the number of auditors and fixes their emoluments in accordance with the law. Auditors are also entitled

to reimbursement of their travel expenses for auditing the company's plants and administrative offices.

The Shareholders' Meeting may also appoint one or more alternate auditors. Auditors are appointed for three-year renewable terms, which may not be revoked by the Shareholders' Meeting other than for good reasons.

The mandate of the audit company Deloitte, Réviseurs d'Entreprise, represented by Mr. Michel Denayer, expire at the end of the ordinary Shareholders' Meeting of 2010. The Board of Directors, on proposal of the Audit Committee, proposes the ordinary General Meeting on 11 May 2010 to renew the mandate with three years. The Board also proposes to appoint audit company Deloitte, represented by Franck Verhaegen as alternate auditor for three years. The proposed yearly emoluments for the effective auditor for the fiscal years 2010 to 2012 are 354 818 EUR for 2010, 351 270 EUR for 2011 and 351 270 for 2012. As from fiscal year 2011 these amounts will be adapted to inflation.



### Stock options granted to Executive Committee members in 2009

Country	Name	Function	Number of options
Belgium	JOURQUIN Christian	Chairman of the Executive Committee	25 000
Belgium	de LAGUICHE Bernard	Member of the Executive Committee	18 000
Belgium	van RIJCKEVORSEL Jacques	Member of the Executive Committee	18 000
Belgium	CAUTREELS Werner	Member of the Executive Committee	15 000
Belgium	DE CUYPER Vincent	Member of the Executive Committee	15 000
Belgium	MESLAND Jean-Michel	Member of the Executive Committee	13 000
Belgium	KEARNS Roger	Member of the Executive Committee	13 000
<b>TOTAL</b>			<b>117 000</b>

### Stock options exercised in 2009 by Executive Committee members

Name	Function	Scheme	No. options exercised	Exercise price in EUR	Alloted in
van RIJCKEVORSEL Jacques	Comex	Options	1 700	62.25	2001
MESLAND Jean-Michel	Comex	Options	2 300	63.76	2002