

**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**      **Timothy J. Muris, Chairman**  
                                 **Sheila F. Anthony**  
                                 **Mozelle W. Thompson**  
                                 **Orson Swindle**  
                                 **Thomas B. Leary**

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In the Matter of	)	
	)	
	)	
<b>SOLVAY S.A.,</b>	)	Docket No. C-
a foreign corporation.	)	
	)	
_____	)	

**DECISION AND ORDER**

The Federal Trade Commission (“Commission”) having initiated an investigation of the proposed acquisition by Respondent Solvay S.A. (“Solvay”) of certain voting securities of Ausimont S.p.A. (“Ausimont”), and Respondent having been furnished thereafter with a copy of the draft of Complaint that the Bureau of Competition proposed to present to the Commission for its consideration and that, if issued by the Commission, would charge Respondent with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondent, its attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders, an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of the Agreement Containing Consent Orders is for settlement purposes only and does not constitute an admission by Respondent that the law has been violated as alleged in such Complaint, or that the facts as alleged in such

Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondent has violated the said Acts and that a Complaint should issue stating its charges in that respect, and having thereupon issued its Complaint and its Order to Hold Separate and Maintain Assets and having accepted the executed Agreement Containing Consent Orders and placed such Agreement Containing Consent Orders on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby makes the following jurisdictional findings and issues the following Decision and Order ("Order"):

1. Respondent Solvay S.A. is a corporation organized, existing and doing business under and by virtue of the laws of Belgium, with its office and principal place of business located at Rue du Prince Albert, 33, B-1050 Brussels, Belgium. Respondent's wholly-owned subsidiary, Solvay



1. the Ausimont Thorofare Plant;
2. the Ausimont Thorofare VF<sub>2</sub> Plant (subject to the proviso below)
3. all real property (together with appurtenances, licenses and permits) used for any purpose related to the research, development, manufacture, marketing, sale, and distribution of PVDF;
4. all personal property;
5. all intellectual property, including but not limited to Ausimont PVDF Production Information, trademarks, patents, mask works, copyrights, trade secrets, research materials, technical information, management information systems, software, inventions, test data, technological know-how, licenses, registrations, submissions, approvals, technology, specifications, designs, drawings, processes, recipes, protocols, and formulas;
6. all contracts entered into with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, employees, personal property lessors, personal property lessees, licensors, licensees, consignors and consignees, and joint venture partners;
7. all governmental approvals, consents, licenses, permits, waivers, or other authorizations;
8. all warranties and guaranties, express or implied;
9. all customer lists, vendor lists, catalogs, sales promotion literature, advertising materials, research materials, technical information, dedicated management information systems, information contained in management information systems, rights to software, technology, know-how, ongoing research and development, specifications, designs, drawings, processes and quality control data;
10. all customer purchase orders, customer product specifications and requirements, records of historical customer purchases, customer correspondence, customer information, invoices, payment records, customer records, and customer files;
11. all books, records, and files;
12. all plant facilities, machinery, equipment, furniture, fixtures, tools, vehicles, transportation and storage facilities, and supplies;

13. all rights in and to inventories of products, raw materials, supplies and parts, including work-in-process and finished goods; and,
14. all items of prepaid expense.

whether at the Ausimont Thorofare Plant, or at any other PVDF plant in which Solvay holds a legal or equitable ownership or management interest pursuant to the Acquisition, and includes all proprietary and public information relating to the specifications for each grade of PVDF, all specifications for all products sold to all customers, the raw material formulations, the operating conditions, the finishing process, the equipment cleaning procedures, plant maintenance information, the specifications for the manufacturing equipment, and any other information which relates to past, present, planned, developed or researched production by/F0 12 Tf5o1 etwoped or r7m6nt i otd,

4. the Non-Exclusive Ausimont Technology License;
  5. the Trademark License;
  6. the Supplemental Rights Agreement; and,
  7. any other agreements between Solvay and each Acquirer related to the divestiture.
- S. “Divestiture Trustee” means the divestiture trustee(s) appointed pursuant to Paragraph V. of this Order.
- T. “Effective Date of Divestiture” means the date on which the divestiture of the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business, or the Ausimont - New Jersey Fluoropolymers Business, to the Acquirer is consummated.
- U. “HCFC-142b” means hydrochlorofluorocarbon 142b which, among other uses, is used as a raw material in the manufacture of VF<sub>2</sub>.
- V. “Hold Separate” means the Order to Hold Separate and Maintain Assets incorporated

- Z. “Non-Public Solvay Fluoropolymers Information” means any information relating to the Solvay Fluoropolymers Business or the Solvay VF<sub>2</sub> Joint Venture Business not in the public domain. Non-Public Information shall not include: (i) information that subsequently falls within the public domain through no violation of this Order by Respondent or breach of a confidentiality or non-disclosure agreement with respect to such information; (ii) information independently developed by Respondent without



- protocols, and formulas;
- e. all contracts entered into with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, employees, personal property lessors, personal property lessees, licensors, licensees, consignors and consignees, and joint venture partners;
  - f. all governmental approvals, consents, licenses, permits, waivers, or other authorizations relating to the Decatur PVDF Plant;
  - g. all warranties and guarantees, express or implied, relating to the Decatur PVDF Plant;
  - h. all customer lists, vendor lists, catalogs, sales promotion literature, and advertising materials;
  - i. all customer purchase orders, customer product specifications and requirements, records of historical customer purchases, customer correspondence, customer information, invoices, payment records, customer records, and customer files relating to the Decatur PVDF Plant (whether in the actual possession of Solvay, SFI, or Solvay America, Inc.);
  - j. all books, records, and files relating to SFI or the Decatur PVDF Plant (whether in the actual possession of Solvay, SFI, or Solvay America, Inc.);
  - k. all plant facilities, machinery, equipment, furniture, fixtures, tools, vehicles, transportation and storage facilities, and supplies relating to the Decatur PVDF Plant;
  - l. all rights in and to inventories of products, raw materials, supplies and parts, including work-in-process and finished goods relating to the Decatur PVDF Plant;
  - m. all items of prepaid expense relating to the Decatur PVDF Plant; and
  - n. any other tangible or intangible right, asset, or property relating to the Decatur PVDF Plant;
2. a non-exclusive, royalty free, fully assignable license, to the Acquirer (“Non-Exclusive PVDF Technology License”), with the right to sub-license, to make,

use, and sell PVDF anywhere in the world using all Solvay PVDF Production Information and all other intellectual property (other than the SOLEF® trademark) used at any time by SFI or at the Decatur PVDF Plant, or at other Solvay plants and facilities, or relating to the research, development, manufacture or sale of PVDF, including, but not limited to, intellectual property and other intangible property related to PVDF grades sold by SFI manufactured at locations other than the Decatur PVDF Plant; *provided, however,* the Non-Exclusive PVDF Technology License shall not require Solvay or the Acquirer to provide or license to the other party to the Non-Exclusive PVDF Technology License any improvements to any patents or other intellectual property granted, invented, researched, or developed after the Effective Date of Divestiture.

3. a non-exclusive, royalty free, fully assignable, one-year license to the Acquirer to use the SOLEF® trademark in its marketing, sale, and distribution of PVDF (“Trademark License”);
4. a list of customers outside the United States who have purchased PVDF from Solvay within the three years preceding the Effective Date of Divestiture;
5. a copy of all vendor lists, catalogs, sales promotion literature, and advertising materials used by Solvay in connection with sales of PVDF to any Person outside of the United States within the three years preceding the Effective Date of Divestiture;
6. a copy of any computer software located anywhere in the world that relates to the research, development, manufacture, marketing, sale, or distribution of any substance, compound, or product manufactured at the Decatur PVDF Plant;
- 7.

*Provided, however, that*

(a) Respondent may retain a list of the twenty (20) largest PVDF customers in the United States, as measured by volumes delivered in the United States, for each of the last three years;

(b) Respondent may retain all contract rights and copies of files to the extent they are related solely to Solvay PVDF sales in the United States that have not been supplied by production from the Decatur PVDF Plant within twelve (12) months before the date this Order is accepted for public comment; and,

information which relates to past, present, planned, developed, or researched production by Solvay of any grades of PVDF in the ordinary course of business. Solvay PVDF Production Information does not include the supercritical carbon dioxide technology that Solvay has licensed from the University of North Carolina and the

Respondent in a manner that will allow the Acquirer of the Solvay Fluoropolymers Business to operate the Solvay Fluoropolymers Business on a viable and competitive basis and accomplish the purposes of the Order; and (3) if the Commission, in its sole discretion, approves such divestiture.

- D. Respondent shall, and the Divestiture Agreements shall require Respondent to, do the following:
1. provide to the Acquirer of the Solvay Fluoropolymers Business on or before the Effective Date of Divestiture the Non-Exclusive PVDF Technology License and, if the Acquirer of the Solvay Fluoropolymers Business is not the Acquirer of the Solvay VF<sub>2</sub> Joint Venture Business, Respondent shall also provide to the Acquirer of the Solvay Fluoropolymers Business the Non-Exclusive VF<sub>2</sub> Technology License;
  2. at the option of the Acquirer of the Solvay VF<sub>2</sub> Joint Venture Business, and subject to the prior approval of the Commission, provide to the Acquirer of the Solvay VF<sub>2</sub> Joint Venture Business on or before the Effective Date of Divestiture the Non-Exclusive VF<sub>2</sub> Technology License for use in the research, development, manufacture, or sale of VF<sub>2</sub> at: (a) locations other than the Decatur VF<sub>2</sub> Plant; and (b) the Decatur VF<sub>2</sub> Plant;  
  
*provided, however,* that Respondent shall only be required to license for use at the Decatur VF<sub>2</sub> Plant: (i) intellectual property which is contained in the Non-Exclusive VF<sub>2</sub> Technology License and which has not already been conveyed to Alventia; and, (ii) intellectual property which is contained in the Non-Exclusive VF<sub>2</sub> License (if any) which is reasonably necessary to allow the continued manufacture of VF<sub>2</sub> at the Decatur VF<sub>2</sub> Plant in a manner that achieves the purposes of the Order; and,  
  
*provided further,* that nothing in this Paragraph II.D.2. shall amend or modify any existing VF<sub>2</sub> licensing agreement between Respondent and Alventia;
  3. assign to the Acquirer of the Solvay Fluoropolymers Business on or before the Effective Date of Divestiture the Decatur Patents, *provided that*, Respondent will be permitted, at the time it makes such assignment, and with the approval of the Commission, to retain a non-exclusive, royalty free assignable license, with the right to sub-license, to practice all claims of the Decatur Patents;
  4. at the option of the Acquirer of the Solvay Fluoropolymers Business and the Acquirer of the Solvay VF<sub>2</sub> Joint Venture Business and subject to the prior approval of the Commission, enter into contracts, licenses, or other agreements

with the Acquirer (“Supplemental Rights Agreement”) sufficient to permit the Acquirer to use, for a period of up to two years after the Effective Date of Divestiture, assets, located anywhere in the world, that are not included in the definition of Solvay Fluoropolymers Business or the Solvay VF<sub>2</sub> Joint Venture Business but that have been used in some way in the twelve (12) months preceding the date this Order is accepted for public comment, in the research, development, manufacture, marketing, sale, or distribution of PVDF or VF<sub>2</sub> at or by the Decatur PVDF Plant or SFI;

5. at the request of the Acquirer of the Solvay Fluoropolymers Business, the Solvay VF<sub>2</sub> Joint Venture Business, or Ausimont - New Jersey Fluoropolymers Business (if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business), at Solvay’s Actual Cost, and at any time up to two years following the Effective Date of Divestiture:

a. provide all technical assistance relating to obtaining and complying with all governmental approvals relating to the operation of the Solvay Fluoropolymers Business, the Solvay VF<sub>2</sub> Joint Venture Business (if Respondent or the Divestiture Trustee divests the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business) or Ausimont - New Jersey Fluoropolymers Business (if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business);

b. provide all technical assistance relating to the research, development, marketing, sale, and distribution of PVDF or VF<sub>2</sub> in the world, or relating to the operation of the Solvay Fluoropolymers Business or the Solvay VF<sub>2</sub> Joint Venture Business (if Respondent or the Divestiture Trustee divests the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business ) or Ausimont - New Jersey Fluoropolymers Business (if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business);

c. provide all technical assistance relating to the process of obtaining customer or other product approvals related to PVDF or VF<sub>2</sub>;

d. provide such technical assistance as is necessary to enable the Acquirer to 2.2t Tc 0.371 Tw (Fluoropolymers Business),1408 T -0 Tc 0.mers Bus-0.4134 Tc 4 Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business)

or Ausimont - New Jersey Production Information (if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business);

6. at the request of the Acquirer of the Solvay Fluoropolymers Business or the Solvay VF<sub>2</sub> Joint Venture Business:
  - e. if Solvay or the Divestiture Trustee divests the Solvay Fluoropolymers Business:
    - (1) not later than forty five days before the Effective Date of Divestiture, Solvay shall: (i) provide to the Acquirer a list of all Solvay Fluoropolymers Employees; (ii) allow the Acquirer an opportunity to interview any Solvay Fluoropolymers Employees; (iii) allow the Acquirer to inspect the personnel files and other documentation relating to such Solvay Fluoropolymers Employees;
    - (2) not later than thirty days before the Effective Date, Solvay shall provide an opportunity for the Acquirer: (i) to meet personally, and outside the presence or hearing of any employee or agent of Solvay, with any one or more of the Solvay Fluoropolymers Employees; and, (ii) to make offers of employment to any one or more of the Solvay Fluoropolymers Employees;
    - (3) Solvay shall: (i) not directly or indirectly interfere with the Acquirer's offer of employment to any one or more of the Solvay Fluoropolymers Employees, directly or indirectly attempt to persuade any one or more of the Solvay Fluoropolymers Employees to decline any offer of employment from the Acquirer, or offer any incentive to any Solvay Fluoropolymers Employee to decline employment with the Acquirer; (ii) irrevocably waive any legal or equitable right to deter any Solvay Fluoropolymers Employee from accepting employment with the Acquirer, including, but not limited to, any non-compete or confidentiality provisions of employment or other contracts with Solvay that directly or indirectly relate to PVDF or the employment of any one or more of the Solvay Fluoropolymers Employees by the Acquirer (iii) not interfere with the employment by the Acquirer of any Solvay Fluoropolymers Employee; and, (iv) continue employee benefits offered by Solvay until the Effective Date of

Divestiture, including regularly scheduled or merit raises and bonuses, and regularly scheduled vesting of all pension benefits; and,

- (4) pay a bonus equal to ten (10) percent of the employee's annual salary to any and all Solvay Fluoropolymers Key Employees who accept an offer of employment from the Acquirer no later than fourteen (14) days from the Effective Date of Divestiture; or

f. if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business:

- (1) not later than forty five days before the Effective Date of Divestiture, Solvay shall: (i) provide to the Acquirer a list of all Ausimont - New Jersey Fluoropolymers Employees; (ii) allow the Acquirer an opportunity to interview any Ausimont - New Jersey Fluoropolymers Employees; (iii) allow the Acquirer to inspect the personnel files and other documentation relating to such Ausimont - New Jersey Fluoropolymers Employees;
- (2) not later than thirty days before the Effective Date of Divestiture, Solvay shall provide an opportunity for the Acquirer: (i) to meet personally, and outside the presence or hearing of any employee or agent of Solvay, with any one or more of the Ausimont - New Jersey Fluoropolymers Employees; and, (ii) to make offers of employment to any one or more of the Ausimont - New Jersey Fluoropolymers Employees;
- (3) Solvay shall: (i) not directly or indirectly interfere with the Acquirer's offer of employment to any one or more of the Ausimont - New Jersey Fluoropolymers Employees, directly or indirectly attempt to persuade any one or more of the Ausimont - New Jersey Fluoropolymers Employees to decline any offer of employment from the Acquirer, or offer any incentive to any Ausimont - New Jersey Fluoropolymers Employee to decline employment with the Acquirer; (ii) irrevocably waive any legal or equitable right to deter any Ausimont - New Jersey Fluoropolymers Employee from accepting employment with the Acquirer, including, but not limited to, any non-compete or



confidentiality provisions of employment or other contracts with Solvay or Ausimont that directly or indirectly relate to PVDF or the employment of any one or more of the Ausimont - New Jersey Fluoropolymers Employees by the Acquirer (iii) not interfere with the employment by the Acquirer of any Ausimont - New Jersey Fluoropolymers Employee; and, (iv) continue employee benefits offered by Solvay or Ausimont until the Effective Date of Divestiture, including regularly scheduled or merit raises and bonuses, and regularly scheduled vesting of all pension benefits; and,

- (4) pay a bonus equal to ten (10) percent of the employee's annual salary to any and all Ausimont - New Jersey Fluoropolymers Key Employees who accept an offer of employment from the Acquirer no later than fourteen (14) days from the Effective Date of Divestiture;

7. if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business, provide, at the request of the Acquirer and subject to the prior approval of the Commission, an ongoing supply of HCFC-142b, and access to all assets and services located at the Ausimont Thorofare Plant, related to the research, development, manufacture and sale of PVDF, on the same basis on which Ausimont had relied on such assets and services in connection with the operation of the Ausimont - New Jersey Fluoropolymers Business, and in a manner sufficient to allow the Acquirer to operate the Ausimont - New Jersey Fluoropolymers Business on a viable and competitive basis and accomplish the purposes of this Order.

- E. If the Divestiture Trustee divests the Ausimont-New Jersey Fluoropolymers Business, upon the request of the Respondent, and subject to the prior approval of the Commission, Respondent may retain a non-exclusive, royalty free, fully assignable license ("Non-Exclusive Ausimont Technology License"), with the right to sub-license only to Respondent's affiliates in which Respondent maintains a 20% or greater ownership interest, to use all intellectual property described in Paragraph I.J.5. of this Order;

*provided, however,* the Non-Exclusive Ausimont Technology License shall only permit Respondent to use the intellectual property licensed by the Ausimont Technology License for the manufacture, use, or sale of products other than PVDF and VF2.

- F. For a period of one year from the Effective Date of Divestiture:

1. if Solvay or the Divestiture Trustee has divested the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business, Solvay shall not, directly or indirectly, solicit, negotiate, hire or enter into any arrangement for the services of all or any of the Solvay Fluoropolymers Employees or the Solvay Fluoropolymers Key Employees employed by the Acquirer, unless such employee's employment has been terminated by the Acquirer; or,
  1. if the Divestiture Trustee has divested the Ausimont - New Jersey Fluoropolymers Business, Solvay shall not, directly or indirectly, solicit, negotiate, hire or enter into any arrangement for the services of all or any of the Ausimont - New Jersey Fluoropolymers Employees or the Ausimont - New Jersey Fluoropolymers Key Employees employed by the Acquirer, unless such employee's employment has been terminated by the Acquirer.
- G. Respondent shall comply with all terms of the Divestiture Agreements, and any breach by Respondent of any term of the Divestiture Agreement shall constitute a violation of this Order. If any term of the Divestiture Agreements varies from the terms of this Order ("Order Term"), then to the extent that Respondent cannot fully comply with both terms, the Order Term shall determine Respondent's obligations under this Order. Notwithstanding any paragraph, section, or other provision of the Divestiture Agreements, any failure to meet any condition precedent to closing (whether waived or not) or any modification of the Divestiture Agreements, without the prior approval of the Commission, shall constitute a failure to comply with this Order.
- H. No part of this Order precludes any Solvay employee, including any Solvay Retained Employee, after the Effective Date of Divestiture, from performing his or her responsibilities as they relate to PVDF, VF<sub>2</sub> or any other product researched, manufactured or sold by Solvay; *provided that* Respondent shall comply fully with all terms and provisions of the Hold Separate, including, but not limited to, provisions restricting Respondent's employment of Persons participating in the management of assets held separate.
- I. If the Respondent or the Divestiture Trustee divests the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business, Respondent shall comply with all terms of the Solvay/Alventia HCFC-142b Agreement, which agreement is incorporated into and made a part of this Order. At the request of the Acquirer of the Solvay Fluoropolymers Business, and subject to the prior approval of the Commission, the term of such agreement may be extended for a term of up to fifteen (15) years following the Effective Date of Divestiture or otherwise modified upon commercially reasonable terms in order to achieve the purposes of the Order. Any breach by Respondent of any term of the Solvay/Alventia HCFC-142b Agreement shall constitute a violation of

this Order. Notwithstanding any paragraph, section, or other provision of the Solvay/Alventia HCFC-142b Agreement, any modification of the Solvay/Alventia HCFC-142b Agreement, without the prior approval of the Commission, shall constitute a failure to comply with this Order.

- J. The purpose of the divestiture of the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business, or the Ausimont - New Jersey Fluoropolymers Business is to ensure the continuing, viable and competitive operation of the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business, or the Ausimont - New Jersey Fluoropolymers Business in the same business (including, but not limited to, the research and development of PVDF) and in the same manner in which the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business, or the Ausimont - New Jersey Fluoropolymers Business were engaged at the time of the announcement of the proposed Acquisition and to remedy the lessening of competition alleged in the Commission's complaint.

### III.

**IT IS FURTHER ORDERED** that:

- A. Respondent shall:
1. not provide, disclose or otherwise make available any Non-Public Solvay Fluoropolymers Information (if Respondent or the Divestiture Trustee divests the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business) or Non-Public Ausimont - New Jersey Fluoropolymers Information (if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business) to any Person; and,
  2. not use any Non-Public Solvay Fluoropolymers Information (if Respondent or the Divestiture Trustee divests the Solvay Fluoropolymers Business and Solvay VF<sub>2</sub> Joint Venture Business) or Non-Public Ausimont - New Jersey Fluoropolymers Information (if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business) for any reason or purpose other than as otherwise required or permitted by this Order.
- B. Notwithstanding Paragraph III of this Order and subject to the Hold Separate, Respondent shall use Non-Public Solvay Fluoropolymers Information (if Respondent or

the Divestiture Trustee divests the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business) and the Non-Public Ausimont - New Jersey Fluoropolymers Information (if the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business) only (i) for the purpose of performing Respondent's obligations under this Order, the Hold Separate, or the Divestiture Agreements; or, (ii) for the purpose of complying with Respondent's financial, tax reporting, health, safety, and environmental obligations.

#### IV.

**IT IS FURTHER ORDERED** that:

- A. At any time after Respondent signs the Consent Agreement, the Commission may appoint a Person to serve as Monitor Trustee to monitor Respondent's compliance with the terms of this Order and the Divestiture Agreements made a part of this Order. The Monitor Trustee may be the same person as the Divestiture Trustee, or as the Hold Separate Trustee.
- B. If the Commission appoints a Person to serve as Monitor Trustee pursuant to this Paragraph IV. of this Order, Respondent shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of the Monitor Trustee:
  1. The Commission shall select the Monitor Trustee, subject to the consent of Respondent, which consent shall not be unreasonably withheld. If Respondent has not opposed in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) business days after notice from the staff of the Commission to Respondent of the identity of any proposed trustee, Respondent shall be deemed to have consented to the selection of the proposed trustee.
  2. The Monitor Trustee shall have the power and authority to monitor Respondent's compliance with the terms of this Order and the Divestiture Agreements and shall exercise such power and authority and carry out the duties and responsibilities of the Monitor Trustee in a manner consistent with the purposes of this Order and in consultation with the Commission.

2. Within ten (10) days after appointment of the Monitor Trustee, Respondent shall execute an agreement (“Monitor Trustee Agreement”) that, subject to the approval of the Commission, confers on the Monitor Trustee all the rights and powers necessary to permit the Monitor Trustee to monitor Respondent’s compliance with the terms of this Order and the Divestiture Agreements in a manner consistent with the purposes of this Order. Respondent may require the Monitor Trustee to sign a confidentiality agreement prohibiting the use, or disclosure to anyone other than the Commission, of any competitively sensitive or proprietary information gained as a result of his or her role as Monitor Trustee.
3. The Monitor Trustee shall serve until the earlier of: (i) the expiration of this Order pursuant to Paragraph IX.; or (ii) the expiration of all the terms that comprise the Divestiture Agreements.
4. The Monitor Trustee shall have full and complete access to Respondent’s books, records, documents, personnel, facilities and technical information relating to compliance with this Order and the Divestiture Agreements, or to any other relevant information, as the Monitor Trustee may reasonably request. Respondent shall cooperate with any reasonable request of the Monitor Trustee. Respondent shall take no action to interfere with or impede the

result from gross negligence, willful or wanton acts, or bad faith by the Monitor Trustee.

7. If at any time the Commission determines that the Monitor Trustee has ceased to act or failed to act diligently, or is unwilling or unable to continue to serve, the Commission may appoint a substitute to serve as Monitor Trustee in the same manner as provided in this Paragraph IV.
  8. The Commission may on its own initiative or at the request of the Monitor Trustee issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of this Order and the Divestiture Agreements.
  9. The Monitor Trustee shall report in writing to the Commission concerning Respondent's compliance with this Order and the Divestiture Agreements every ninety days for a period of two years from the date Respondent signs the Consent Agreement and annually thereafter on the anniversary of the date this Order becomes final during the remainder of the Monitor Trustee's period of appointment, and at such other times as representatives of the Commission may request.
- C. Respondent shall comply with all terms of the Monitor Trustee Agreement, and any breach by Respondent of any term of the Trustee Agreement shall constitute a violation of this Order. Notwithstanding any paragraph, section, or other provision of the Monitor Trustee Agreement, any modification of the Monitor Trustee Agreement, without the prior approval of the Commission, shall constitute a failure to comply with this Order.

## V.

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Ausimont - New Jersey Fluoropolymers Business for the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business. The Divestiture Trustee may be the same person as the Monitor Trustee or the Hold Separate Trustee, and will have the authority and responsibility to divest the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business or the Ausimont - New Jersey Fluoropolymers Business, absolutely and in good faith, and with the Commission's prior approval.

- B. Neither the decision of the Commission to appoint a Divestiture Trustee, nor the decision of the Commission not to appoint a Divestiture Trustee, to divest any of the assets under this Paragraph V. shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed trustee, pursuant to § 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, for any failure by the Respondent to comply with this Order.
- C. If a Divestiture Trustee is appointed by the Commission or a court pursuant to this Paragraph V. of this Order to divest the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business or the Ausimont - New Jersey Fluoropolymers Business, Respondent shall consent to the following terms and conditions regarding the Divestiture Trustee's powers, duties, authority, and responsibilities:
1. The Commission shall select the Divestiture Trustee, subject to the consent of Respondent, which consent shall not be unreasonably withheld. If Respondent has not opposed, in writing, including the reasons for opposing, the selection of any proposed Divestiture Trustee within ten (10) days after notice from the staff of the Commission to Respondent of the identity of any proposed Divestiture Trustee, Respondent shall be deemed to have consented to the selection of the proposed Divestiture Trustee.
  2. Subject to the prior approval of the Commission, the Divestiture Trustee shall have the exclusive power and authority to divest the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business or the Ausimont - New Jersey Fluoropolymers Business to an Acquirer that receives the prior approval of the Commission pursuant to the terms of this Order and to enter into Divestiture Agreements with the Acquirer pursuant to the terms of this Order, which Divestiture Agreements shall be subject to the prior approval of the Commission.
  3. Within ten (10) days after appointment of the Divestiture Trustee, Respondent shall execute a (or amend the existing) trust agreement ("Divestiture Trustee Agreement") that, subject to the prior approval of the Commission and, in the

case of a court-appointed trustee, of the court, transfers to the Divestiture Trustee all rights and powers necessary to permit the Divestiture Trustee to divest the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business or the Ausimont - New Jersey Fluoropolymers Business to an Acquirer and to enter into Divestiture Agreements with the Acquirer.

4. The Divestiture Trustee shall have twelve (12) months from the date the Commission, or the court, in the case of a court-appointed trustee, approves the Divestiture Trustee Agreement described in this Paragraph V. of this Order to divest the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business or the Ausimont - New Jersey Fluoropolymers Business and to enter into Divestiture Agreements with an Acquirer that satisfies the requirements of Paragraph II. of this Order. If, however, at the end of the applicable twelve-month period, the Divestiture Trustee has submitted to the Commission or the court a plan of divestiture or believes that divestiture can be achieved within a reasonable time, such divestiture period may be extended by the Commission, or, in the case of a court-appointed trustee, by the court; provided, however, the Commission may extend such divestiture period only two (2) times.
5. The Divestiture Trustee shall have full and complete access to the personnel, books, records and facilities of Respondent related to the manufacture, distribution, or sale of PVDF and VF<sub>2</sub>, or related to any other relevant information, as the Divestiture Trustee may request. Respondent shall develop such financial or other information as the Divestiture Trustee may request and shall cooperate with the Divestiture Trustee. Respondent shall take no action to interfere with or impede the Divestiture Trustee's accomplishment of his or her responsibilities.
6. The Divestiture Trustee shall use reasonable efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondent's absolute and unconditional obligation to divest at no minimum price and the Divestiture Trustee's obligation to expeditiously accomplish the remedial purpose of this Order; to assure that Respondent enters into Divestiture Agreements that comply with the provisions of Paragraph II. of this Order; to assure that Respondent complies with the remaining provisions of this Order; and to assure that the Acquirer obtains the assets required to research, develop, manufacture, sell and distribute PVDF and VF<sub>2</sub>. The divestiture shall be made to, and the Divestiture Agreements executed with, an Acquirer in the manner set forth in Paragraph II. of this Order; *provided, however*, if the Divestiture Trustee receives bona fide offers





11. The Divestiture Trustee shall have no obligation or authority to operate or maintain the Divested Assets.
  12. The Divestiture Trustee shall report in writing to Respondent and to the Commission every two (2) months concerning his or her efforts to divest the Solvay Fluoropolymers Business and the Solvay VF<sub>2</sub> Joint Venture Business or the Ausimont - New Jersey Fluoropolymers Business and Respondent's compliance with the terms of this Order.
- D. If the Divestiture Trustee divests the Ausimont - New Jersey Fluoropolymers Business, Respondent may propose an agreement to allow the Acquirer of the Ausimont - New Jersey Fluoropolymers Business to supply to Respondent VF<sub>2</sub> manufactured at the Ausimont Thorofare VF<sub>2</sub> Plant for, among other things, Respondent's use in the production of fluoroelastomers, provided that such agreement must provide sufficient VF<sub>2</sub> to Acquirer to operate the Ausimont Thorofare PVDF Plant at an annual rate of production no lower than highest annual rate of production at the Ausimont Thorofare PVDF Plant in any of the five (5) calendar years preceding the Effective Date of Divestiture, and must provide sufficient VF<sub>2</sub> to Acquirer to support the Acquirer's good-faith plans, decisions, or efforts to meet the production goals and targets in Acquirer's business plans currently in effect and to expand production of PVDF at the Ausimont Thorofare PVDF Plant, in a manner consistent with the purposes of this Order. Respondent may also propose an agreement to expand the capacity to manufacture VF<sub>2</sub> at the Ausimont Thorofare VF<sub>2</sub> Plant. If such agreements are proposed by Respondent, the Divestiture Trustee shall include such agreements among the terms offered to prospective Acquirers, and may submit a divestiture containing such agreement for the approval by the Commission. If the Divestiture Trustee is unable to enter such agreements, or if Commission does not approve such agreements, or does not approve a divestiture subject to such agreements, the Commission may approve, and the Divestiture Trustee may divest, a divestiture of the Ausimont - New Jersey Fluoropolymers Business without such agreements.
- E. Respondent shall comply with all terms of the Divestiture Trustee Agreement, and any breach by Respondent of any term of the Trustee Agreement shall constitute a violation of this Order. Notwithstanding any paragraph, section, or other provision of the Divestiture Trustee Agreement, any modification of the Divestiture Trustee Agreement, without the prior approval of the Commission, shall constitute a failure to comply with this Order.

## VI.

**IT IS FURTHER ORDERED** that Respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondent such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of this Order.

## **VII.**

**IT IS FURTHER ORDERED** that:

- A. Within thirty (30) days after the date this Order becomes final and every thirty (30) days thereafter until the Respondent has fully complied with the provisions of Paragraphs II. and V. of this Order, Respondent shall submit to the Commission (with simultaneous copies to the Divestiture Trustee(s), as appropriate) verified written reports setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with Paragraphs II. and V. of this Order. Respondent shall include in the reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraphs II.A., II.B. and II.C. of this Order, including a description of all substantive contacts or negotiations for the divestitures and the identity of all parties contacted. Respondent shall include in the reports copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning completing the obligations; and,
- B. One (1) year from the date this Order becomes final, annually for the next nine (9) years on the anniversary of the date this Order becomes final, and at other times as the Commission may require, Respondent shall file verified written reports with the Commission setting forth in detail the manner and form in which it has complied and is complying with this Order.

**VIII.**

**IT IS FURTHER ORDERED** that for the purpose of determining or securing compliance with this Order, upon written request, Respondent shall permit any duly authorized representative of the Commission:

- A. Access, during office hours and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Respondent relating to any matters contained in this Order; and
- B. Upon five (5) days' notice to Respondent and without restraint or interference from it, to interview officers, directors, employees, agents or independent contractors of Respondent.

**IX.**

**IT IS FURTHER ORDERED** that this Order shall terminate ten (10) years from the date this Order becomes final.

By the Commission.

Donald S. Clark  
Secretary

SEAL:

ISSUED: