

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

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

_____)
In the Matter of)
)
)
)
SOLVAY S.A.,) Docket No. C- 4046
 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

period of thirty (30) days for the receipt and consideration of public comments, and having duly considered the comments filed thereafter by interested persons pursuant to Commission Rule 2.34, 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 America, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of Delaware, with its principal office and place of business at 3333 Richmond Avenue, Houston, Texas 77098.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent and the proceeding is in the public interest.

ORDER

I.

- A. “Solvay” means Solvay S.A., a Belgian Corporation, its directors, officers, employees, agents, representatives, successors, and assigns; its subsidiaries, divisions, groups, and affiliates controlled by Solvay S.A., including Solvay America, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. “Ausimont” means Ausimont S.p.A., an Italian Corporation, and its parents, subsidiaries, divisions, groups, and affiliates controlled by Ausimont.
- C. “Alventia” means Alventia LLC, a limited liability company organized, existing and doing business under the laws of Delaware, and its subsidiaries and divisions, as well as groups and affiliates controlled by Alventia. Alventia does not include Dyneon LLC or Solvay.
- D. “Commission” means the Federal Trade Commission.
- E. “Respondent” means Solvay S.A.
- F. “Acquirer” means each Person approved by the Commission to acquire the Solvay Fluoropolymers Business, the Solvay VF₂ Joint Venture Business, or the Ausimont - New Jersey Fluoropolymers Business.
- G. “Acquisition” means the proposed acquisition of Ausimont by Solvay, as described in the December 21, 2001, Share Purchase Agreement between Montedison S.p.A., Longside International S.A. and Solvay S.A.

- H. “Actual Cost” means Respondent’s direct out-of-pocket expenses incurred in providing a service.
- I. “Asset Purchase Agreement” means all agreements submitted to and approved by the Commission between Solvay and the Acquirer that sell, assign, or otherwise convey the Solvay Fluoropolymers Business and the Solvay VF₂ Joint Venture Business or the Ausimont - New Jersey Fluoropolymers Business to one or two Acquirers.
- J. “Ausimont - New Jersey Fluoropolymers Business” means all of Solvay’s right, title, and interest acquired in the Acquisition in all assets and businesses in the world relating to the research, development, manufacture, marketing, sale, and distribution of PVDF at, from, and by the Ausimont Thorofare Plant, including, but not limited to:
1. the Ausimont Thorofare Plant;
 2. the Ausimont Thorofare VF₂ 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.

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.

Provided, however, that the Ausimont - New Jersey Fluoropolymers Business does not include: (a) the HCFC 142b manufacturing equipment located at the Ausimont Thorofare Plant; (b) any assets used exclusively in the research, development, manufacture or sale of fluoroelastomers or any other product unrelated to PVDF; and (3) those assets described in Confidential Exhibit 1.

- K. “Ausimont - New Jersey Fluoropolymers Employees” means all full-time, part-time, or contract employees of Solvay:
1. whose duties on the Effective Date of Divestiture of the Ausimont - New Jersey Fluoropolymers Business directly or indirectly, wholly or in part, relate to the Ausimont - New Jersey Fluoropolymers Business;
 2. whose duties related primarily to the Ausimont - New Jersey Fluoropolymers Business at any time during the period commencing twelve-months prior to the Effective Date of Divestiture of the Ausimont - New Jersey Fluoropolymers Business and ending on the Effective Date of Divestiture of the Ausimont - New Jersey Fluoropolymers Business; or,
 3. who performed duties that related directly or indirectly, wholly or in part, to the Ausimont - New Jersey Fluoropolymers Business for all or any part of a day for a cumulative one hundred (100) work days (whether consecutive days or not) during the period commencing twelve-months prior to the Effective Date of Divestiture of the Ausimont - New Jersey

Fluoropolymers Business and ending on the Effective Date of Divestiture of the Ausimont - New Jersey Fluoropolymers Business.

Provided, however, that Ausimont - New Jersey Fluoropolymers Employees do not include the Persons listed on Confidential Exhibit 2 (“Ausimont Retained Employees”).

- L. “Ausimont - New Jersey Fluoropolymers Key Employees” means any Ausimont - New Jersey Fluoropolymers Employees identified as such in the Asset Purchase Agreement, or who at the time of the Acquisition were identified as managers within the Ausimont - New Jersey Fluoropolymers Business.
- M. “Ausimont PVDF Production Information” means all information relating to the past, present, planned, developed or researched production of each grade of PVDF, 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 Ausimont of any grades of PVDF in the ordinary course of business.
- N. “Ausimont Thorofare Plant” means buildings, structures, fixtures, equipment, machinery, and other tangible property owned or operated by or on behalf of Ausimont and located in Thorofare, New Jersey and the immediate vicinity used for any purpose related to the research, development, manufacture, marketing, sale, and distribution of PVDF.
- O. “Ausimont Thorofare VF₂ Plant” means buildings, structures, fixtures, equipment, machinery, and other tangible property owned or operated by or on behalf of Ausimont and located in Thorofare, New Jersey and the immediate vicinity used for any purpose related to the research, development, manufacture, marketing, sale, and distribution of VF₂.
- P. “Decatur PVDF Plant” means all buildings, structures, fixtures, equipment, machinery, and other tangible property owned or operated by or on behalf of Solvay and located in Decatur, Alabama, and the immediate vicinity, used for any purpose directly or indirectly related to the research, development, manufacture, marketing, sale, and distribution of PVDF.

- Q. “Decatur VF₂ Plant” means all buildings, structures, fixtures, equipment, machinery, and other tangible property owned or operated by or on behalf of Alventia and located in Decatur, Alabama, and the immediate vicinity, used for any purpose directly or indirectly related to the research, development, manufacture, marketing, sale, and distribution of VF₂.
- R. “Divestiture Agreements” means:
1. the Asset Purchase Agreement;
 2. the Non-Exclusive PVDF Technology License;
 3. the Non-Exclusive VF₂ Technology License;
 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 VF₂ 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 VF₂.
- V. “Hold Separate” means the Order to Hold Separate and Maintain Assets incorporated into and made a part of the Agreement Containing Consent Orders.
- W. “Monitor Trustee” means the trustee appointed pursuant to Paragraph IV. of this Order.
- X. “Non-Exclusive VF₂ Technology License” means a non-exclusive, royalty free, fully assignable license, to the Acquirer, with the right to sub-license, to make, use, and sell VF₂ anywhere in the world using all of the intellectual property controlled by Solvay which relates to the research, development, manufacture or sale of VF₂; *provided, however*, the Non-Exclusive VF₂ Technology License shall not require

Solvay or the Acquirer to provide or license to the other party to the Non-Exclusive VF₂ Technology License any improvements to any patents or other intellectual property granted, invented, researched, or developed after the Effective Date of Divestiture.

- Y. “Non-Public Ausimont - New Jersey Fluoropolymers Information” means any information relating to the Ausimont - New Jersey Fluoropolymers 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 reference to or use of Non-Public Information; and (iii) information that is required to be disclosed by law.
- Z. “Non-Public Solvay Fluoropolymers Information” means any information relating to the Solvay Fluoropolymers Business or the Solvay VF₂ 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 reference to or use of Non-Public Information; and (iii) information that is required to be disclosed by law.
- AA. “Person” means any individual, partnership, joint venture, firm, corporation, association, trust, unincorporated organization or other entity.
- BB. “PVDF” means polyvinylidene fluoride, including homopolymers and copolymers.
- CC. “SFI” means Solvay Fluoropolymers, Inc., a wholly-owned subsidiary of Solvay.
- DD. “Solvay/Alventia HCFC-142b Agreement” means the agreement between Solvay and Alventia dated January 19, 1998 pursuant to which Solvay has agreed to provide HCFC-142b to Alventia.
- EE. “Solvay Fluoropolymers Business” means:
1. all of Solvay’s right, title, and interest in SFI, including, but not limited to:
 - a. the Decatur PVDF Plant;
 - b. 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;
 - c. all patents owned by Solvay or SFI that are used exclusively for the

purpose of manufacturing, selling, or using PVDF in the United States (“Decatur Patents”);

- d. all know-how relating to the manufacture, sale, and use of PVDF which is reflected in written or electronic records at the Decatur PVDF Plant or in the knowledge of Solvay Fluoropolymers Employees, including, but not limited to trade secrets, ongoing research and development, research materials, technical information, management information systems, information

- 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 sublicense, 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. all machinery, equipment, testing equipment, and tools that: (a) are physically located at the Decatur PVDF Plant as of the Effective Date of Divestiture that relate to the research, development, manufacture, marketing, sale or distribution of PVDF at or by the Decatur PVDF Plant or SFI; or (b) at any time within one year of the Effective Date of Divestiture have been physically located at the Decatur PVDF Plant; and,
8. tangible or intangible assets located anywhere in the world that are used exclusively to, or have been used exclusively to, manufacture, market, sell, or distribute PVDF at or by the Decatur PVDF Plant or SFI.

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,

(c) Solvay Fluoropolymers Business does not include any assets used exclusively in the research, development, manufacture or sale of fluoroelastomers or any other product unrelated to PVDF.

FF. “Solvay Fluoropolymers Employees” means:

1. all full-time, part-time, or contract employees of SFI at any time within one year of the Effective Date of Divestiture of the Solvay Fluoropolymers Business; and,
2. all full-time, part-time, or contract employees of Solvay (but excluding employees of SFI) the services of which, wholly or in part, were billed, paid, charged, or invoiced (to the extent such charges can be specifically identified) by or to SFI or Alventia at any time within one year of the Effective Date of Divestiture, but excluding those employees who provided

- HH. “Solvay PVDF Production Information” means all information relating to the past, present, planned, developed, or researched production of each grade of PVDF, whether at the Decatur PVDF Plant, or at any other PVDF plant in which Solvay holds a legal or equitable ownership or management interest, other than through the Acquisition, and includes all proprietary and public information relating to the specifications for each grade of PVDF, 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 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 know-how defined in Definition I.V.(1).(d).
- II. “Solvay VF₂ Joint Venture Business” means Respondent’s ownership interest in Alventia, including any other interests or rights of Solvay associated with Solvay’s ownership in Alventia.
- JJ. “VF₂” means vinylidene fluoride monomer.

II.

IT IS FURTHER ORDERED that:

- A. Solvay shall divest the Solvay Fluoropolymers Business, absolutely and in good faith and at no minimum price, to an Acquirer that receives the prior approval of the Commission, and in a manner that receives the prior approval of the Commission, no later than one hundred and eighty (180) days from the date upon which this Order becomes final.
- B. Solvay shall divest the Solvay VF₂ Joint Venture Business, absolutely and in good faith and at no minimum price, to an Acquirer that receives the prior approval of the Commission, and in a manner that receives the prior approval of the Commission, no later than one hundred and eighty days (180) days from the date upon which this Order becomes final.
- C. Respondent shall divest both the Solvay Fluoropolymers Business and the Solvay VF

Solvay Fluoropolymers Business, by a contract, agreement, legally enforceable interest or another method acceptable to the Commission, has an assured supply of VF_2 from one or more Persons other than Respondent in a manner that will allow the Acquirer of the Solvay Fluoropolymers Business to operate the Solvay

4. at the option of the Acquirer of the Solvay Fluoropolymers Business and the Acquirer of the Solvay VF₂ 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 VF₂ 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 VF₂ at or by the Decatur PVDF Plant or SFI;
5. at the request of the Acquirer of the Solvay Fluoropolymers Business, the Solvay VF₂ 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 VF₂ Joint Venture Business (if Respondent or the Divestiture Trustee divests the Solvay Fluoropolymers Business and the Solvay VF₂ 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 VF₂ in the world, or relating to the operation of the Solvay Fluoropolymers Business or the Solvay VF₂ Joint Venture Business (if Respondent or the Divestiture Trustee divests the Solvay Fluoropolymers Business and the Solvay VF₂ 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 VF₂;
 - d. provide such technical assistance as is necessary to enable the Acquirer to use the technology contained in the Non-Exclusive PVDF Technology License and the Non-Exclusive VF₂ Technology

License (if Respondent or the Divestiture Trustee divests the Solvay Fluoropolymers Business and the Solvay VF₂ 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 VF₂ Joint Venture Business:
 - a. 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

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 VF₂ 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

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 VF₂ 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 VF₂ 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 VF₂ 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 VF₂ 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 VF₂ 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 VF₂ 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

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.

IT IS FURTHER ORDERED that:

- A. If Respondent fails to complete the divestitures required by Paragraph II. of this Order within the time periods specified therein, then the Commission may appoint a Divestiture Trustee to divest the Solvay Fluoropolymers Business and the Solvay VF₂ Joint Venture Business to an Acquirer or Acquirers and to execute Divestiture Agreements that satisfy the requirements of Paragraph II of this Order; provided, however, that the Divestiture Trustee may, subject to the approval of the Commission, substitute the Ausimont - New Jersey Fluoropolymers Business for the Solvay Fluoropolymers Business and the Solvay VF₂ 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 VF₂ 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 VF₂ 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.

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 VF₂, 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

arrangement contingent on the Divestiture Trustee's locating an Acquirer and assuring compliance with this Order.

8. Respondent shall indemnify the Divestiture Trustee and hold the Divestiture Trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Divestiture Trustee.
9. If the Commission determines that the Divestiture Trustee has ceased to act or failed to act diligently, the Commission may appoint a substitute trustee in the same manner as provided in this Paragraph V. of this Order.
10. The Commission or, in the case of a court-appointed trustee, the court,

may also propose an agreement to expand the capacity to manufacture VF2 at the Ausimont Thorofare VF2 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 on June 21, 2012.

By the Commission.

Donald S. Clark

Secretary

SEAL

ISSUED: June 21, 2002

[Confidential Exhibits 1-3 Redacted From Public Record Version]