

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into as of this 15 day of February, 2021 (the "Effective Date"), by and between Solvay Specialty Polymers USA, LLC ("Solvay") and the State of Delaware Department of Natural Resources and Environmental Control ("DNREC" or the "Department") (collectively the "Parties") to resolve certain matters arising from the Notice of Administrative Cost Recovery Demand and Secretary's Order No. 2020-WH-0035, signed and dated December 17, 2020 (the "Order"), and from Solvay's subsequent appeal of the Order to the Environmental Appeals Board of the State of Delaware (EAB Appeal No. 2021-001);

WHEREAS, from 1998 until September 2020, Solvay operated a manufacturing plant located at 800 Greenbank Road in Wilmington, Delaware (hereinafter referred to as the "Facility"). The Facility processed polytetrafluoroethylene ("PTFE"), a heat-resistant polymer with a variety of commercial applications, to create a PTFE micropowder;

WHEREAS, Solvay's operations at the Facility are regulated by the Remediation Section and the Compliance and Permitting Sections of DNREC's Division of Waste and Hazardous Substances and by DNREC's Division of Air Quality;

WHEREAS, the DNREC air permits that regulated Solvay's operations at the Facility applied to, among other things, five baghouses that Solvay used to contain and recover particulate matter emissions of PTFE;

WHEREAS, the Facility was subject to the following permits issued by the Division of Air Quality:

- May 23, 2003 Permit and Application: APC-89/0219-OPERATION (Amendment 2) - issued to Solvay Solexis, Inc.- Polytetrafluoroethylene (PTFE) Exhaust System
- May 23, 2003 Permit and Application: APC-2001/0289-OPERATION (Amendment 1) - issued to Solvay Solexis, Inc.- Rotomill with Pulse-Jet Baghouse
- April 21, 2006 Permit and Application: APC-2006/0072 0041- OPERATION - issued to Solvay Solexis, Inc.- Product Blender Collection System with Baghouse
- February 6, 2006 Permit and Application: APC-2000/0263- CONSTRUCTION/OPERATION (Amendment 2) - issued to Solvay Solexis, Inc.- Product Packout Collection System



- February 6, 2006 Permit and Application: APC-2001/0317- OPERATION (Amendment 2)
- issued to Solvay Solexis, Inc.- Electron Beam Feed Conveyance System with Pulse-Jet Baghouse

WHEREAS, the Department issued a request for records to Solvay on June 4, 2020;

WHEREAS, Solvay responded promptly to the Department's request for records on June 18, 2020;

WHEREAS, with Solvay's consent, the Department conducted a site inspection of the Facility on June 25, 2020;

WHEREAS, the Department issued a Notice of Liability ("NOL") dated July 28, 2020 to Solvay;

WHEREAS, the NOL was amended and superseded by an amended NOL dated September 11, 2020;

WHEREAS, the amended NOL alleged that the Department had documented the presence of a hazardous substance, perfluorooctanoic acid (PFOA), in the process flow immediately upstream of Solvay's dust-collector (baghouse) filters and exhausts, and in soil, sediment, groundwater, and surface water at locations adjacent to the Facility, and that Solvay was in violation of 7 Del. C. §§ 9104 and 9105 of the Delaware Hazardous Substance Cleanup Act ("HSCA");

WHEREAS, the amended NOL requested that Solvay enter the Department's Voluntary Cleanup Program (the "VCP") established by §9107 of HSCA;

WHEREAS, Solvay initially declined to enter the VCP by letter dated November 12, 2020;

WHEREAS, the Department replied to Solvay's November 12, 2020 letter on December 7, 2020 and again asked Solvay to enter the VCP;

WHEREAS, Solvay applied for entry into the VCP on December 14, 2020;

WHEREAS, the Order was issued as a result of DNREC's decision to reject as insufficient Solvay's application to enter the VCP;

WHEREAS, Solvay appealed the terms of the Order to the Environmental Appeals Board of the State of Delaware on January 7, 2021, in which Solvay contends that it is not a liable party under HSCA and that the Order was improperly issued (the "Appeal");

WHEREAS, Solvay and DNREC both wish to avoid the costs and uncertainties of the pending appeal and to resolve the disputes between them upon mutually agreeable terms;

NOW THEREFORE, in order to avoid the costs and uncertainties of litigation, and to finally resolve the disputes between them created by the Order and the Appeal in a mutually agreeable manner, and in consideration of the mutual promises and benefits set forth herein, Solvay and DNREC agree to the following:

I. PARTIES BOUND

1. Solvay (and as applicable, its agents, successors, assigns, officers, directors, and principals) is responsible for carrying out all actions required of it by this Agreement, as is DNREC responsible for carrying out its activities as required by this Agreement. The signatories to this Agreement certify that they are authorized to execute and legally bind the parties they represent to this Order. No change in the ownership, corporate status, or relationship of Solvay in relation to the Facility shall alter Solvay's responsibilities under this Agreement.

2. While this Agreement remains in effect, Solvay shall provide a copy of it to any subsequent owners or successors in interest before ownership rights or stock or assets in a corporate acquisition are transferred. Solvay shall provide a copy of this Agreement to all DNREC approved consultant(s) under Section III that are retained to conduct any work performed under this Agreement, within fourteen (14) days after the effective date of this Agreement or the date of retaining their services, whichever is later. Solvay shall condition any such contracts upon satisfactory compliance with this Agreement. Notwithstanding the terms of any other contract, Solvay is responsible for compliance with the Agreement and for ensuring that its subsidiaries, employees, contractors, consultants, subcontractors, agents, and attorneys comply with the terms of this Agreement.

II. APPLICATION AND SCOPE

3. This Agreement is made solely to accomplish the purposes stated herein.

4. It is the intent of the Parties that this Agreement shall resolve all issues between them arising from the Order and the Appeal.

5. This Agreement is entered into pursuant to the authority vested in the Secretary of the DNREC by HSCA and the HSCA Regulations ("the Regulations").

6. Except as otherwise set forth herein, this Agreement does not limit or affect the rights of Solvay, the State of Delaware, or DNREC against any person or entity not part of this Agreement.

7. Nothing in this Agreement shall relieve Solvay of its obligation to comply with all applicable federal, state, and local laws and regulations. Other than as expressly provided for herein, nothing contained in this Agreement shall be construed to prevent, alter, or limit DNREC's ability to seek or obtain other remedies or sanctions available under federal, state, or local statutes or regulations, in response to any alleged violation by Solvay of applicable statutes and regulations, nor to limit any claims, rights, defenses otherwise available to Solvay, including with respect to any such alleged violations.

III. SOLVAY'S OBLIGATIONS UNDER THIS AGREEMENT

8. In full and final resolution of all claims made in the Order by DNREC concerning the matters addressed therein, Solvay agrees that it will:

- Submit to DNREC, within sixty (60) days of the execution of this Agreement, the name and qualifications of the consultant who will be performing a remedial investigation, risk assessment, and feasibility study of the Facility meeting the requirements of Section 9.4 of *Delaware's Regulations Governing Hazardous Substance Cleanup* and 7 Del. C. § 9106. A copy of the Department's policy for Minimum Qualification Requirements for Consultants can be found at DNREC's website at the following link: http://www.dnrec.delaware.gov/dwhs/SIRB/Pages/SIRB_Consultant_Lab_Qualifications.aspx.
- Submit to DNREC, within forty-five (45) days of DNREC's approval of Solvay's consultant, a draft work plan.
- Submit a completed Remedial Investigation and Feasibility Study for DNREC's review within one year from the date of execution of this Agreement.
- Pay DNREC its costs incurred in designing or implementing a remedial action or remedy, as those terms are defined in 7 Del. C. §§ 9103 (26) and (27), respectively, that have been incurred and/or billed through the date of the Order and agree to pay any other such reasonably incurred costs.



- Implement the approved Final Plan of Remedial Action upon issuance, based on the results of the approved Remedial Investigation and Feasibility Study; and,
- Notify DNREC within seven (7) days of any circumstance that comes to its attention and is beyond its reasonable control that will prevent it from complying with any deadline established in this Agreement.

9. Upon the execution of this Agreement by both parties, Solvay will dismiss the Appeal within twenty-four (24) hours.

IV. AGREEMENTS CONCERNING THE ORDER AND THE APPEAL

Concerning the Order and the Appeal, the Parties agree to the following:

10. The parties agree that Solvay and DNREC shall retain the right to initiate litigation for any breach of this Agreement in order to enforce their respective rights herein. The parties agree that, prior to the commencement of any such litigation, they shall notify the other party and over a period of thirty (30) days consult in good faith to resolve the dispute giving rise to the need for litigation. If the dispute is not resolved after the thirty (30) day period, litigation may be commenced by either party.

11. The parties agree that each party shall bear its own costs concerning the Appeal and any litigation that may be initiated pursuant to Paragraph 10 of this section of the Agreement.

V. GENERAL PROVISIONS

12. This Agreement and the performance by each Party of its obligations pursuant hereto settles and resolves all issues arising out of the Order and Appeal. This document contains the complete Agreement among the Parties with regard to its subject matter, and it supersedes any and all prior agreements, understandings, promises, warranties, and representations made by and to each other with respect to its subject matter. No promise or inducement that is not herein expressed has been made to any of the Parties, and the Parties do not rely upon any such statement or representation.

13. It is understood and agreed between the Parties that the Agreement is the result of a settlement and does not necessarily represent the position(s) of the Parties. Neither this



Agreement, nor any term herein, may be used in any future or related legal proceeding as evidence of a Party's position.

14. The Parties acknowledge that this Agreement represents a settlement of disputed factual and legal claims without any legal determination or adjudication of such factual and legal claims against any Party, including all factual or legal claims, assertions, findings, conclusions, and/or determinations in the Order and the Appeal. DNREC retains the right to assert any and all facts, claims, assertions, findings, conclusions, and/or determinations alleged in the Order in any litigation or enforcement matter relating to the Facility. Likewise, Solvay retains the right to challenge any and all facts, claims, assertions, findings, conclusions, and/or determinations alleged in the Order in any litigation or enforcement matter relating to the Facility.

15. Each of the Parties hereby warrants, represents, and acknowledges that such Party and the person signing this Agreement on behalf of such Party has full power and authority to execute, deliver, and perform this Agreement.

16. The terms of this Agreement shall be governed by the laws of the State of Delaware, without regard to any conflict of law provisions, as if all acts were performed in Delaware.

17. This Agreement may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement. A copy of a party's counterpart shall be sent to the other party pursuant to the provisions for notice set forth herein.

18. This Agreement may be modified only by a written document signed by the Parties. No waiver of this Agreement or any of the promises, obligations, terms, or conditions hereof shall be valid unless it is written and signed by the Party against whom the waiver is to be enforced.

19. The Parties acknowledge that they have had the opportunity to consult with legal counsel of their choosing prior to entering into this Agreement and that they enter this Agreement knowingly and voluntarily. Each party agrees to bear its own attorneys' fees and costs in the review and preparation of this Agreement.

20. All Parties to this Agreement acknowledge that each has had an equal opportunity to participate in, and each has participated in, the drafting of this Agreement.

21. The Parties acknowledge that this Agreement, and the negotiations and other communications relating to it, are made without any admission of fact or liability for any purpose as to any matter.

22. To the extent that performance of the obligations of this Agreement require notice to a Party, such notice shall be made in writing and sent by email and U.S. Mail as follows:

A. If to Solvay, notice shall be sent to:

Lauren K. Podesta
Solvay Specialty Polymers USA, LLC
504 Carnegie Center
Princeton, NJ 08540
Lauren.Podesta@solvay.com

With a copy to:

Kegan A. Brown
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022
Kegan.brown@lw.com

B. If to DNREC, notice shall be sent to:

Qazi Salahuddin
Environmental Program Administrator
391 Lukens Dr.
New Castle, DE 19720
Qazi.Salahuddin@delaware.gov

With a copy to:

Deputy Attorney General Robert F. Phillips
391 Lukens Dr.
New Castle, DE 19720
Robert.Phillips@delaware.gov

The parties agree that these designations of notice recipients may be changed by sending written notice to the other party per this paragraph.

23. If any provision of this Agreement or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.



24. Solvay's performance of the obligations agreed to in Section III of this Agreement shall resolve all of Solvay's potential civil or administrative liability to DNREC for the matters addressed in the Order and in the Appeal, including without limitation, the alleged factual findings or alleged violations identified, claims asserted, and relief sought in or through the Order.

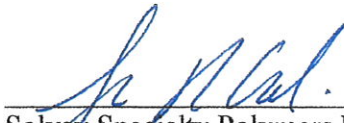
25. This Agreement shall not be considered to create rights in, or grant any cause of action to, any third party not a party to this Agreement, nor does it limit the rights of any person or entity not party to this Agreement with Solvay, except as otherwise provided by law.

26. This Agreement may be modified only by the written consent of the Parties.

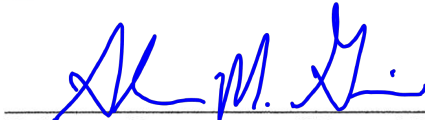
IT IS SO AGREED.

(Signature page to follow)





Solvay Specialty Polymers USA, LLC, by
George Corbin, President

Date: FEBRUARY 15, 2021


Delaware Department of Natural Resources
and Environmental Control, by
Shawn M. Garvin, Secretary

Date: February 15, 2021

Approved as to form and legal sufficiency:


Robert F. Phillips
Deputy Attorney General

Date: Feb. 15, 2021

RFP21002



