IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF WYOMING

WADE E. JENSEN and DONALD D. GOFF, individually and on behalf of all others similarly situated,	§	
Plaintiffs,	§	
v.	§	Civil Action No. 06 CV 273
SOLVAY CHEMICALS, INC., SOLVAY AMERICA, INC., and SOLVAY AMERICA COMPANIES PENSION PLAN,	§	
Defendants.	§	

DECLARATION OF CLAUDE POULIN, F.S.A., M.A.A.A., E.A.

I, Claude Poulin, am over 21 years of age and based on personal knowledge, state as follows:

1. I am a Fellow in the Society of Actuaries, a member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA. I have over 30 years of experience in designing, administering, and reviewing defined benefit pension plans, including providing advice to employers, unions, governments, employees and their representatives. My Curriculum Vitae is attached as Exhibit A.

2. For over twenty five years, I have served as the Actuarial Trustee of the Connecticut State Employees Retirement Commission. I also have been an actuarial consultant to the AARP, the EEOC, the Internal Revenue Service, the Communications Workers of America, the United Automobile Workers, and the IBEW.

3. At the time the Employee Retirement Income Security Act (ERISA) was enacted in 1974, I was the Senior Actuary for the UAW. In that capacity I was responsible for the review

and compliance under ERISA of approximately 3,000 pension plans the UAW negotiated. I testified several times before Congressional Committees of both the U.S. House and Senate on matters related to ERISA.

4. I have been retained in this matter to offer expert actuarial analysis on the facts related to the claims in the Class Action Complaint about reductions in future benefit accruals and periods of wear-away under the Solvay America Companies Pension Plan and the information about those reductions and periods of wear-away contained in the notices distributed to employees. I am compensated at the rate of $425 per hour.

5. I have attached as Exhibit B a list of the cases in which I have testified as an expert at trial or at deposition within the last four years. I have reviewed the documents and data listed on Exhibit C.

6. In performing my analysis, I reviewed the named Plaintiffs' benefit computations and examined how those calculations change based on different combinations of age, service and salary. I also examined sample benefit calculations prepared by Solvay or its consultants.

Background

7. Before 2005, Solvay sponsored a traditional defined benefit plan. The plan's benefit formula provided a pension benefit equal to 1.1% times Highest Average Compensation times benefit service limited to 35 years. For Highest Average Compensation in excess of "Covered Compensation", an additional 0.6% of the excess was provided, again times benefit service (also limited to 35 years). Highest Average Compensation was defined as the highest average monthly earnings received during any consecutive 60 months within the last 120 months prior to termination. "Covered Compensation" is the average of the Social Security Maximum Taxable Wage Bases for each calendar year during the 35-year period ending with the last day of

the calendar year in which the participant attains Social Security retirement age. The IRS periodically publishes tables of Covered Compensation. For a participant like Wade Jensen who was age 43 at the end of 2004, Covered Compensation was $83,340. Because his salary was less than that, he had no pay in excess of the Covered Compensation level.

8. Prior to its conversion to a cash balance formula, Solvay's retirement plan also offered early retirement benefits. For a vested participant who terminated employment before age 55, 60% of the age 65 benefit was provided starting at age 55 (4% per year for 10 years). The reduction was less if the participant reached age 55 while still employed. In that case, the reduction was 3% per year, or 30% at age 55. For participants who met a "Rule of 85," i.e., their age plus years of benefit service equals 85 or more points, benefits were unreduced at age 55 or after.

9. For one group of employees, the previous benefit formula and early retirement reductions were different. Employees of Ausimont/Solvay Solexis had a different benefit formula until December 31, 2002, which netted to more than 1.1% of highest pay in some instances and less in others. Most importantly, the early retirement reduction factors for these employees were steeper, i.e., a 50% reduction was applied for retirement at age 55. On January 1, 2003, these employees were folded into Solvay's benefit formula, but the benefits they earned before and after that date, including the early retirement reductions, continued to be calculated separately.

10. On January 1, 2005, Solvay converted its traditional defined benefit pension plan into a "cash balance" plan. The details of this conversion are set out in the "Sixth Amendment" to the Plan document. Solvay's cash balance formula provides for benefit accruals based on hypothetical or bookkeeping accounts that increase with the allocation of pay credits and interest

credits. The opening account balances were established at the beginning of 2005. According to the Plan document, the opening accounts were calculated using a 5% rate of interest and the "Section 417(e)" mortality table, otherwise known as the GAR 94 mortality table.

11. The pay credits under Solvay's cash balance formula are based on a percentage of salary ranging from 2.5% to 5% of pay. Additional pay credits ranging from 1.25% to 2.5% are provided on the portion of pay in excess of the Social Security Wage Base.[1] The percentage of salary is determined by a combination of the participant's age and years of service (points) in whole years as of the end of the current year. This schedule is as follows:

Age & Service Points	**Pay Credit Percentage**	**Addt'l Credits for Pension Eligible Earnings > SSWB**
Less than 40 points	2.5%	1.25%
40 to 59 points	3%	1.5%
60 to 79 points	4%	2%
80 points or over	5%	2.5%

12. The interest credit rates used under Solvay's cash balance formula are based on the average of the 30-year Treasury rates in the last three months (October to December) of the immediately preceding plan year. The interest credits that have applied to date under Solvay's Plan are as follows:

Interest Credit Rates

2005: 4.87%
2006: 4.69%
2007: 4.74%
2008: 4.61%
2009: 4.28%

[1] The Plan document says that the 2.5% to 5% pay credit percentages only apply to pension-eligible earnings up to the Social Security Wage Base. However, Solvay's Summary Plan Description (SPD) says these percentages apply to all pension-eligible earnings, with an additional 1.25% to 2.5% pay credit applied to the portion of earnings above the Social Security Wage Base. I presumed that the latter is correct.

Although the prescribed Treasury rates have not fallen to this level to date, the Plan document provides that the interest credit rate shall never drop below 3%.

13. The retirement benefits provided by Solvay's cash balance formula are equal to the employee's cash account, with interest projected to age 65, converted to an annuity by applying actuarial assumptions specified in the Plan. The conversion interest rate is the average interest rate for 30-year Treasuries in August, September, and October of the preceding year. The conversion interest rates that have applied under this standard since 2005 are as follows:

Annuity Purchase Interest Rates

2005: 4.94%
2006: 4.54%
2007: 4.90%
2008: 4.83%
2009: 4.31%

14. The conversion interest rates combined with the mortality assumption of "GAR 94" can be used to generate annuity conversion factors and early retirement reduction percentages. For example, the 4.94% interest rate applicable in 2005 combined with the GAR 94 mortality table generates an annuity conversion factor of 11.85417 at age 65. If a participant's projected account balance at age 65 is $100,000, it can be converted to an annuity of $8,435.85 per year ($100,000 divided by 11.85417), or $702.99 per month. To compute the benefit payable at age 55, the age 65 annuity is reduced to the actuarial equivalent as defined in the Plan. Applying the 4.94% interest rate and GAR 94 mortality table, this translates to a discount of 53%. As a result, $330.41 would be payable at age 55 ($702.99 x 47%). By comparison, the age 55 benefit payable under the prior benefit formula was 70% of the age 65 benefit, not 47%. Thus, early retirement reduction factors like those offered under the prior formula were not offered under the cash balance formula.

15. Under the Sixth Amendment to the Plan, employees who were age 50 or more as of January 1, 2005 with at least 10 years of benefit service were eligible to be "grandfathered," i.e., to irrevocably elect to stay under the prior formula. However, if they decided to do that, a 1.25% "transition contribution" and an additional 2% match under Solvay's 401(k) Savings Plan were not provided.

16. According to Solvay's Form 5500 Annual Return/Report, the Solvay America Companies Pension Plan had over 3,608 participants on January 1, 2005. Of those participants, 468 were eligible to be grandfathered and 350 made that election. The remaining 3,258 participants were moved to the cash balance formula.[2]

Future Benefit Accruals Are Substantially Reduced

17. The future rates of benefit accrual under Solvay's Cash Balance formula are significantly lower compared to the accrual rates under Solvay's prior benefit formula. As indicated above, to convert from the hypothetical cash accounts to an annuity, the Solvay Plan administrator must project the current account to retirement age and convert the account to an annuity. Mathematically, the Plan administrator uses the formula set out in the footnote below to get from the cash account to an annuity.[3] Each year's benefit accrual can be calculated by

---

[2] Of those participants, 207 were subject to the Ausimont/Solvay Solexis provisions.

[3] The Normal Retirement Benefit $= AB \times (1 + i)^{65-n} \div a$, where:

AB = the employee's hypothetical account balance at the Date of Determination ("DOD");
i = the interest credit rate at the DOD;
$(1+i)^{65-n}$ = the mathematical expression for the accumulation of interest from the DOD to age 65;
n = the employee's age at the DOD; and
a = the cost of purchasing an annuity commencing at age 65 based on the annuity purchase rate and mortality table provided under the terms of the Plan.

substituting in the formula the annual pay credit payable under the Cash Balance formula for the account balance (*AB*). The rate of benefit accrual is determined by dividing the year's benefit accrual by the employee's compensation for the year.

18. During the time Wade Jensen was a participant under the prior plan, his rate of benefit accrual was approximately 1.1% of his highest average pay. By contrast, his accrual rate fell to 0.71% of compensation in 2005 under the Cash Balance formula and would finally drop to below 0.6% of each year's pay after age 57 and 0.4% by age 65. Exhibit D-1 shows the reduced rates of accrual and the pattern of additional decreases in the rates with advancing age. Putting the additional accruals in terms of the old highest average pay formula, the cash balance accrual rate at age 63 is equivalent to 0.55% of highest average pay.

19. Analytically, the much lower rates of future accruals are the product of several factors. First, the pay credit schedule that Solvay adopted is much lower than most other companies with cash balance formulas. The top percentage is 5% compared to 7-10% with many other companies. The age and service points required to achieve the higher pay credit rates are also very restrictive. To illustrate, the top pay credit rate of 5% only applies to employees with 80 or more age and service points. However, the 2005 Form 5500 for this Plan indicates that less than 100 of the 3,608 participants had 80 or more points, and almost all of those participants would have been eligible for the grandfather election.

20. Second, the change away from a formula based on "highest average pay" is very significant. The pension benefits provided under the prior retirement benefit formula were based on participants' highest average salaries. Any increase in the salary average increased not only the pension benefit accrued in the year of the increase but also raised the benefits accrued in all prior years of benefit service. There was, in essence, a multiplier effect. On the other hand, under

a cash balance plan like Solvay's, an increase in salary in any given year only affects the pay credit in that year with no impact whatsoever on pension benefits accrued to date. Cash balance plans like Solvay's are known as "career average pay" plans. Under career average pay plans, benefits for earlier years of service are not improved as salary increases.

21. Third, the mathematical formula given in the footnote above and Exhibits D-1 and D-2 show that under Solvay's Cash Balance formula, the rate of benefit accrual almost always decreases as a result of increases in the employee's age. As the employee grows older, the projected interest credits, which are a function of the number of years between the date of determination and age 65, are correspondingly reduced. A younger employee, identical to an older employee in every way except for age, will accrue a larger normal retirement benefit than an older employee.

22. To examine the reductions in future accruals further, I developed the series of spreadsheets attached under Exhibits E and F. Exhibit E shows the reductions in the age 65 benefits and Exhibit F shows the reductions in the age 55 or over benefits. These spreadsheets can be used to calculate the future accruals for any participant in the Plan under Solvay's Cash Balance formula and to compare those benefits with benefits provided under the prior formula had it continued.

23. The key assumptions are that salary increases at an annual rate of 3% (along with the Social Security Wage Base and Covered Compensation) and that interest rates remain constant. The 3% salary increase and Social Security Wage Base assumptions conform with the assumptions that Solvay used to prepare its "204(H) Notice" to participants in 2004. Solvay used a higher 4.5% salary increase assumption in its Form 5500 Annual Reports. The reductions shown in Exhibit E would be somewhat higher if the 4.5% salary increase assumption was used.

Consistent with the assumptions used in the 204(H) Notice, I also assumed that the interest credit rate and annuity conversion rate were a flat 5%, even though the actual rates in effect in 2005 were somewhat lower (4.87% and 4.94%, respectively). The reductions shown in Exhibit E would be somewhat higher if the actual interest rates were used.

24. To illustrate the reductions from the cash balance formula, Exhibit E-1 shows that named Plaintiff Wade Jensen would earn $531 more per month under the prior formula in the 5 years after 2005 compared with only $220 under the cash balance formula. In the 10 years after 2005 he would earn $1,210 more per month under the prior formula compared with only $490 under the cash balance formula.

25. The second spreadsheet (Ex. F-1) shows the reductions in Mr. Jensen's age 55 or over benefits. It reveals that for nearly five years, he does not earn any additional early retirement benefits under the cash balance formula. After 10 years his cash balance benefit would improve by $146 per month, compared with additional accruals of $726 per month had the prior formula continued. After 15 years, his cash balance benefit would improve by $496 per month compared with $1,803 if the prior formula was continued.[4]

26. Individual-by-individual comparisons of the benefit reductions for all participants for whom Solvay supplies sufficient data will be attached to Dr. Bardwell's report.

<u>The Wear-Aways of Frozen Pension Benefits Sometimes Last Over 10 Years</u>

27. The most startling fact about Solvay's Cash Balance formula design is that for periods stretching from 5 to over 10 years participants like Messrs. Jensen and Goff accrue no

[4] This comparison includes the "Rule of 85" early retirement benefit. Mr. Jensen would qualify for that benefit after 15 more years of service. The Rule of 85 offers unreduced early retirement benefits at age 55 or over. Nothing comparable is offered under the cash balance plan.

additional benefit under the Cash Balance formula – as long as the value of their cash accounts are less than the value of the pension benefit they had already accrued (the frozen prior plan benefit). Ultimately, benefit accruals of Mr. Jensen would resume after approximately 4.9 years. Had Mr. Goff continued to be employed, his retirement benefits would not increase for 11.4 years.

28. The varying periods of time in which an employee may not earn any additional retirement benefits is called a "wear-away" period. The wear-away period continues until the employee's benefit under the cash balance formula "catches up" with the benefit that the employee had already earned under the prior formula.

29. A period of wear-away is not an inherent or legally-required feature of a cash balance conversion. Surveys by benefit consulting companies show that a large percentage of cash balance conversions have taken place without wear-aways. And for all cash balance conversions after June 2005, the Pension Protection Act of 2006 has prohibited any wear-aways. See P.L. 109-280, Section 701(a) (adding ERISA Section 204(b)(5)(B)(ii)-(iv)).

30. A period of wear-away can always be avoided by protecting previously-earned benefits in annuity form and adding the benefits earned under the cash balance formula to those benefits. This approach has been variously described as the "A + B" or "sum of" approach. Thus, wear-aways are an option chosen by the plan sponsor in consultation with the benefit advisors retained by the company.

31. There are two preconditions for the wear-aways:

(a) A conversion design is adopted that uses a "greater of" approach rather than a simple "A + B" or "sum of" approach to join the benefits earned before the conversion with those earned after, and

(b) There is a difference between the value of the frozen benefit under the old formula and the value of the initial cash balance account, which

> means that the cash account has a way to go before it "catches up" with the value of the frozen benefit.

32. There are three reasons for the differences in value under Solvay's design: First, in converting previously-earned benefits to a cash balance account, Solvay excluded the value of the early retirement benefits from the opening account balance. The value of those early retirement features is greater for employees who are close to early retirement eligibility, i.e., for older employees.

33. Second, Solvay applied a pre-retirement mortality discount in establishing the opening account balance. However, as participants grow older, the decreased risk of mortality is not credited back. As a result, the annuities participants are able to purchase with their original cash balance accounts are, even with interest credits, less than the annuities they originally had. Although the discounts for younger and older employees are comparable in percentage terms, this discount removes more dollars from the opening accounts of older employees and thus leaves them with more to make up before their cash accounts catch up with the frozen benefit from the old formula.

34. Third, when interest rates fall below, the periods of wear-away become longer. For example, the interest crediting rate in 2005 was 4.87%, rather than the 5% that Solvay and its benefit consultants used in their illustrations. In 2009, the interest crediting rate had dropped to 4.28%. With lower interest crediting rates, participants' cash balance accounts project to lower amounts at retirement age. Again, the lower interest crediting rates make more of a difference for older participants. For example, Wade Jensen's 4.9 year period of wear-away turns into 7.5 years of wear-away with the lower interest crediting rates.

35. The conjunction of these three factors, all of which weigh more heavily on older employees, creates substantial differences between the value of the prior benefits and Solvay's

cash balance accounts.

36. Under Solvay’s design, the periods of wear-away are magnified because the rates at which employees are making up this difference are very low. As illustrated above, the rates of accrual under Solvay’s cash balance formula are barely one-half of the rate under the prior formula. This means that it takes a longer time to make up for any difference in value between the frozen pension benefit and the opening balance than if higher rates of accrual were used.

37. To calculate the expected wear-away periods exactly, I prepared the spreadsheets attached as Exhibit G. These spreadsheets can be used to compute the duration of the wear-away for any Plan participant. The inputs are age, benefit service, salary, the frozen benefit amount on January 1, 2005, and the opening cash balance account on January 1, 2005.

38. The key assumptions are 3% salary increases and constant interest rates from 2005 forward. The results would not be appreciably different if a one percent higher or lower salary increase assumption is used. If salary was assumed to be constant, the wear-away periods would, however, be longer. For purposes of these calculations, I did not take into account the decreases in the interest crediting rates that have occurred since 2005. Had I done so, the wear-away periods would be significantly longer than shown, as illustrated by Wade Jensen’s period of wear-away going from 4.9 to 7.5 years with the lower interest credit rates.

39. Exhibit G examines the two ways in which the age-based periods of wear-away affect employees. The first way is the period of time in which the previously-earned age 65 benefit is higher than the retirement benefit payable at age 65 under the cash balance formula. This period generally extends no more than a little over one year. Working until age 65 is, however, extremely unusual with companies like Solvay. The second way in which the age-based periods of wear-away affect employees is in the age 55 or over retirement benefit. In

Columns 12 and 13, Exhibit G compares the previously earned benefit payable at age 55 or over with the cash balance annuity payable at the same time. The wear-away period ends when the retirement benefit calculated with the cash balance account exceeds the previously-earned (and now-frozen) benefit.

40. Exhibit G shows that for older participants, the periods of wear-away in the age 55 or over benefit last a very long period of time, sometimes in excess of 10 years. For example, the wear-aways for Don Goff (Ex. G-2) who was age 48 at the conversion, is 11.4 years. By contrast, the periods of wear-away virtually disappear when I look at younger examples (age 35 and below). Dr. Bardwell, the statistical expert retained by the Plaintiffs, is analyzing the wear-aways for each participant in the Plan in his report. [5]

41. To compute damages from the wear-aways to date, I set up columns to accumulate the pay credits and interest on those pay credits (at the interest crediting rates) which were credited to participants' cash accounts but are not paid because of the wear-away design. For example, Wade Jensen's cash balance pay and interest credits during the 4.9 year period when he is anticipated to be under wear-away accumulate to $18,354. The actual damages are computed based on actual salaries and the actual interest crediting rates. The actual damages to date are $15,497. The results of these calculations for all individuals will be included in the results attached to Dr. Bardwell's report.

Solvay's 204(h) Notice Does Not Provide the Information Described in Treasury Department Regulations

42. Based on the analyses described above of Solvay's cash balance conversion and

[5] The periods of wear-away for the Ausimont/Solvay Solexis employees are shorter because the early retirement reduction factors applied to the benefits they earned before January 1, 2003, were not as favorable. However, the older employees still experience relatively longer periods of wear-away.

my review of Solvay's Section "204(H) Notice" (Ex. H), I can offer the following determinations relevant to the information mandated by the Treasury Department's regulations on Section 204(h) notices (Ex. I).

<u>The information in the Notice about early retirement reductions</u>

43. Solvay's 204(H) Notice states that the old Plan formula "includes an early retirement subsidy" and refers in five other places to a "subsidy" or "subsidies" in early retirement benefits. The meaning of this term is never explained. There is no mention of the 3% or 4% per year reductions that the old Plan afforded early retirees (or the "Rule of 85" feature which provided early retirement benefits with no reduction).

44. Most critically, there is no disclosure of the percentage reductions that apply to early retirements under the cash balance formula. By my calculations, those reductions are approximately 53% at age 55, or an average of 5.3% per year. Thus, for an employee who reaches age 55 and retires, the old Plan formula provides at least 70% of the participant's age 65 benefit compared with only 47% of that benefit after the cash balance changes. There is no information in Solvay's Notice about those reductions like the disclosures in Example 5 under Q&A-11 of the Treasury regulations.

<u>The information in the Notice about wear-away periods</u>

45. Solvay's Notice suggests that any period of "wear-away" is only connected with early retirement benefits. Under the heading "Early Retirement Benefits," the only illustration is of an age 54 year old individual who is in the "grandfathered" group of employees (over age 50 with more than 10 years of service as of January 1, 2005). The notice indicates that this individual's early retirement benefit under cash balance "may not increase" for 6 years.

46. Solvay's Notice does not provide any information from which participants who

were <u>not</u> eligible to be grandfathered can determine whether they are in the class of employees affected by wear-aways. There is no indication that employees over 40 generally will be affected or that employees under 40 will not be. Nor does Solvay's Notice provide examples to illustrate the range of wear-away periods expected for the employees subject to wear-aways. There is no indication of wear-away periods of 4.9 years for employees like Wade Jensen who are still in their early 40's or 11.4 years for employees like Don Goff in their late 40's.

<u>The information about reductions in rates of future accrual</u>

47. Solvay's Notice does not describe the approximate magnitude of the reductions in the rate of future accruals of normal retirement benefits in narrative or numerical terms. The reductions in future benefits are not disclosed in percentage terms comparable to Example 4 in Q&A-11 of the Treasury regulations. The numerical information in Tables A and B at the end of Solvay's Notice mixes or folds in the previously-earned benefits with the new benefits in a manner that prevents comparisons of how much <u>future</u> benefit accruals are being reduced in dollar terms.

48. By my calculations, Solvay reduced the rate of future accruals (without even taking the periods of wear-away into account) from over 1.1% of highest average pay to less than 0.6%. Solvay's Notice does not disclose this. Nor does it disclose that the rate of future benefit accruals is still lower for the oldest employees, falling to close to 0.4% by age 65.

<u>Solvay's Summary Plan Description Does Not Correct the Deficient Disclosures</u>

49. Based on my review, none of the deficiencies in disclosures described above were corrected in Solvay's Summary Plan Description (SPD). The periods of "wear-away" are not described in the SPD at all. The SPD also fails to provide participants with any formulas which they can use to calculate their future retirement benefits in annuity form under the new cash

balance formula either at age 65 or earlier, either to compare the cash balance benefits with their retirement benefits under the prior formula or to plan for retirement.

I declare under penalty of perjury that the foregoing is true to the best of my knowledge.

Date: March 17, 2009

Signed: ______________________
Claude Poulin

Exhibits:

A. Curriculum vitae
B. List of cases with testimony
C. List of documents and data reviewed
D. Benefit accrual rates (before wear-away)
E. Age 65 benefit reductions
F. Age 55 or over benefit reductions
G. Wear-away duration and damage spreadsheets
H. Solvay's "204(H) Notice For Participants"
I. Treas. Reg. 54.4980F-1, Q&A-11
J. Solvay's "Summary Plan Description"

Exhibit A

CURRICULUM VITAE
OF CLAUDE POULIN

EDUCATION:	Fellow of the Society of Actuaries, Chicago, 1972
	Laval University, School of Business Administration Quebec City, 1966, Degree in Actuarial Science
	University of Montreal, 1963, B.A., Mathematics
EMPLOYMENT: Since 1980	POULIN ASSOCIATES, INC. 3180 Aspen Dale Lane Delaplane, VA 20144 (202) 297-9516
	Founder and president of Poulin Associates, Inc., an independent actuarial and employee benefit consulting firm with offices in Washington, D.C., Virginia and Montreal, Canada; special expertise as a consultant and actuarial expert witness in ERISA cases (pension and welfare benefits).
1969 to 1980	UNITED AUTOMOBILE WORKERS (UAW), Detroit, Michigan
	Senior Actuarial Consultant and Assistant Director of the UAW Social Security Department; responsible for monitoring over 3,000 pension and welfare plans for the Union
1966 to 1969	SUN LIFE ASSURANCE COMPANY, Montreal, Canada
	Actuarial Assistant, pensions and group insurance operations
PROFESSIONAL CREDENTIALS:	Member of the American Academy of Actuaries
	Enrolled Actuary under ERISA
	Fellow of the Canadian Institute of Actuaries
	Member of the International Actuarial Association
	Appointed by the Governor of the State of Connecticut as Actuarial Trustee of the Connecticut State Employees' Retirement Commission

PROFESSIONAL CREDENTIALS (continued)	Member of the 1979 Panel of Actuaries and Economists to the Social Security Advisory Council, members of which were appointed by President Carter.
	Member of the Pension Benefit Guaranty Corporation (PBGC) 1977 Panel on Contingent Employer Liability Insurance.
	Member of the 1977 Task Force of the Financial Accounting Standards Board (FASB) on Accounting and Reporting for Employee Benefit Plans.
	Member of the Bureau of National Affairs (BNA) Pension Reporter Advisory Board (1981-1987).
	Testified before Committees of the United States House and Senate on ERISA and related matters.
	Testified before several Canadian Commissions on pension reform.
	Frequent radio and television commentator on economic and social affairs.

Exhibit B

Prior Expert Testimony

Janice C. Amara, et al. v. CIGNA Corp. and CIGNA Pension Plan, Civil Action No. 3:01-CV-2361(MRK) in the United States District Court for the District of Connecticut.

Engers, et al. v. AT&T and AT&T Management Pension Plan, Civil Action No. 98-CV-3660 (SRC) in the United States District Court for the District of New Jersey (Newark).

McCarthy, et al. v. Dun & Bradstreet, et al., Civil Action No. 03:CV 431(SRU) filed in the United States District Court for the District of Connecticut.

Shaver, et al. v. Siemens Westinghouse Retirement Plan, et al. Civil Action No. 02-1424 in the United States District Court for the Western District of Pennsylvania.

Loewy, et al. v. Motorola Inc. Pension Plan, et al., Case No. CV 03-2284 PHX FJM filed in the United States District Court for the District of Arizona.

Richards, et al. v. Fleet Boston Financial Pension Plan, Civil Action No. 3:04CV1638(JCH) filed in the United States District Court for the District of Connecticut.

Drutis, et al., v. Rand McNally & Company and Quebecor World, Inc., Civil Action No. 5:04-CV-00269-KSF in the United States District Court for the Eastern District of Kentucky.

George Tedeshi, et al. v. Mercer Human Resource Consulting, et al., Civil Action No. 04ca003566 in the Superior Court of the District of Columbia, Civil Division.

J. Michael Charles, et al. v. Pepco Holdings, Inc., et al., Civil Action No. 05-702 (SLR) filed in the United States District Court for the District of Delaware.

Sunder and Jarodsky v. U.S. Bank Pension Plan, et al., Civil Action No. 4:05-CV-01153-ERW in the United States District Court for the Eastern District of Missouri, Eastern Division.

Grant M. Walker, et al. v. Monsanto Company Pension Plan, et al., Civil Action No. 04-436-JPG in the United States District Court for the Southern District of Illinois.

Wayne Tomlinson, et al. v. El Paso Corp., et al., Civil Action No. 04-2686 (WDM) in the United States District Court for the District of Colorado.

Gary Buus, et al. v. Washington Mutual Pension Plan, et al., Civil Action No. 07-0903-MJP in the United States District Court for the Western District of Washington.

Denise M. Clark v. Feder Semo and Bard, P.C., et al., Civil Action No. 07-470 (JDB) in the United States District Court for the District of Columbia.

Exhibit C

Documents Reviewed

- Class and Collective Action Complaint, filed on Nov. 13, 2006;
- Solvay America Companies Pension Plan, as Amended and Restated Effective January 1, 2001, with First to Eighth Amendments;
- 2003 Solvay America Companies Pension Plan Summary Plan Description;
- 2005 Solvay America Companies Pension Plan Summary Plan Description;
- Form 5500 Annual Return/Report for the Solvay America Companies Pension Plan for 2005 and 2006;
- Dec. 1, 2004 Requirements Document for Account Balance Plan and Nov. 30, 2004 Requirements Document for Traditional Plan;
- FutureChoice brochure;
- ERISA Section 204(h) notice (includes 2 copies—one sent to Wade Jensen and the other provided by Defendants);
- Sept. 1, 2004 Personalized Statement for non-grandfathered employees (includes personalized statement for Wade Jensen and a blank statement);
- Sept. 1, 2004 Personalized Statement for grand-father eligible employees, with election form and Decision Guide (the personalized statement is blank);
- Schedule of on-site “FutureChoice” employee meetings for Sept. 22-Oct. 15, 2004;
- Sept. 2004 FutureChoice PowerPoint presentation;
- Nov. 17, 2003 Retirement Plan Design Alternatives presentation by Towers Perrin;
- April 1, 2004 Total Compensation Statement for Donald Goff;
- Retirement Plans Quarterly Statements for Donald Goff (for period from 12/31/04 to 3/31/05 and 4/1/05 to 6/30/05);
- Sept. 21, 2005 Personalized Benefit Estimate for Donald Goff;
- Employment and pension data for Wade Jensen and Donald Goff.

Exhibit D-1

SOLVAY CASH BALANCE PENSION PLAN

Benefit Accrual Rates (Before Wearaway)

	Wade Jensen
Year of Birth	1961
Age on Jan. 1, 2005	43
Benefit Service on Jan. 1, 2005	13.34
Highest Average Earnings	$73,198.90
Annual Salary 2004	$84,950
Frozen Benefit on Jan. 1, 2005	$895.10
Cash Balance Account on Jan. 1, 2005	$40,736.63

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Year	Age at BoY	Service at BoY	Highest Average Salary	Monthly Age 65 Benefit under Prior Plan (BoY)	Cash Balance Account at BoY	Cash Balance at BoY Projected to Age 65	Monthly Age 65 Benefit from Cash Balance	Annual Salary	Pay Credit	Pay Credit Accumulated to Age 65	Annual Benefit Accrual (Before Wearaway)	Benefit Accrual Rate (Before Wearaway) as % of Annual Salary	Cash Balance Accruals (Before Wearaway) as % of Final Average Salary
2005	43	13.34	$73,199	$895	$ 40,737	$ 119,165	$842	$87,498	$2,625	$7,313	$620	0.71%	
2006	44	14.34	75,395	991	45,487	126,724	895	90,123	2,704	7,174	608	0.67%	
2007	45	15.34	77,657	1,092	50,559	134,147	948	92,827	3,713	9,383	796	0.86%	
2008	46	16.34	79,986	1,198	56,918	143,828	1,016	95,612	3,824	9,204	780	0.82%	
2009	47	17.34	82,386	1,310	63,714	153,336	1,083	98,480	3,939	9,029	766	0.78%	
2010	48	18.34	84,858	1,427	70,974	162,673	1,149	101,435	4,057	8,857	751	0.74%	0.85%
2011	49	19.34	87,403	1,550	78,724	171,844	1,214	104,478	4,179	8,688	737	0.71%	
2012	50	20.34	90,025	1,679	86,992	180,851	1,278	107,612	4,304	8,523	723	0.67%	
2013	51	21.34	92,726	1,814	95,810	189,698	1,340	110,840	4,434	8,360	709	0.64%	
2014	52	22.34	95,508	1,956	105,209	198,387	1,402	114,166	4,567	8,201	695	0.61%	
2015	53	23.34	98,373	2,105	115,222	206,921	1,462	117,591	4,704	8,045	682	0.58%	0.73%
2016	54	24.34	101,324	2,261	125,884	215,305	1,521	121,118	4,845	7,892	669	0.55%	
2017	55	25.34	104,364	2,424	137,234	223,539	1,579	124,752	6,238	9,677	820	0.66%	
2018	56	26.34	107,495	2,595	150,581	233,600	1,651	128,494	6,425	9,492	805	0.63%	
2019	57	27.34	110,720	2,775	164,798	243,482	1,720	132,349	6,617	9,311	790	0.60%	
2020	58	28.34	114,042	2,963	179,936	253,189	1,789	136,320	6,816	9,134	774	0.57%	0.64%
2021	59	29.34	117,463	3,159	196,048	262,723	1,856	140,409	7,020	8,960	760	0.54%	
2022	60	30.34	120,987	3,365	213,189	272,089	1,922	144,622	7,231	8,789	745	0.52%	
2023	61	31.34	124,616	3,580	231,418	281,290	1,988	148,960	7,448	8,622	731	0.49%	
2024	62	32.34	128,355	3,805	250,796	290,328	2,051	153,429	7,671	8,458	717	0.47%	
2025	63	33.34	132,205	4,040	271,390	299,207	2,114	158,032	7,902	8,297	703	0.45%	0.55%
2026	64	34.34	136,172	4,286	293,267	307,930	2,176	162,773	8,139	8,139	690	0.42%	
2027	65	35.34	140,257	4,500	316,500	316,500	2,236	167,656	8,383	7,984	677	0.40%	

SOLVAY CASH BALANCE PENSION PLAN

Exhibit D-2

Benefit Accrual Rates (Before Wearaway)

	Don Goff
Year of Birth	1956
Age on Jan. 1, 2005	48
Benefit Service on Jan. 1, 2005	22.93
Highest Average Earnings	$80,465.76
Annual Salary 2004	$79,354
Frozen Benefit on Jan. 1, 2005	$1,715.32
Cash Balance Account on Jan. 1, 2005	$102,384.53

(1) Year	(2) Age at BoY	(3) Service at BoY	(4) Highest Average Salary	(5) Monthly Age 65 Benefit under Prior Plan (BoY)	(6) Cash Balance Account at BoY	(7) Cash Balance at BoY Projected to Age 65	(8) Monthly Age 65 Benefit from Cash Balance	(9) Annual Salary	(10) Pay Credit	(11) Pay Credit Accumulated to Age 65	(12) Annual Benefit Accrual (Before Wearaway)	(13) Benefit Accrual Rate (Before Wearaway) as % of Annual Salary	(14) Cash Balance Accruals (Before Wearaway) as % of Final Average Salary
2005	48	22.93	$80,466	$1,715	$ 102,385	$ 234,667	$1,658	$81,734	$3,269	$7,137	$605	0.74%	
2006	49	23.93	82,880	1,844	110,932	242,150	1,711	84,186	3,367	7,001	594	0.71%	
2007	50	24.93	85,366	1,979	120,014	249,501	1,763	86,712	3,468	6,867	582	0.67%	
2008	51	25.93	87,927	2,120	129,663	256,723	1,814	89,313	3,573	6,737	571	0.64%	
2009	52	26.93	90,565	2,267	139,908	263,818	1,864	91,993	3,680	6,608	560	0.61%	
2010	53	27.93	93,282	2,422	150,785	270,789	1,913	94,752	4,738	8,103	687	0.73%	0.64%
2011	54	28.93	96,080	2,584	163,294	279,289	1,973	97,595	4,880	7,949	674	0.69%	
2012	55	29.93	98,963	2,754	176,585	287,639	2,032	100,523	5,026	7,797	661	0.66%	
2013	56	30.93	101,932	2,931	190,703	295,843	2,090	103,539	5,177	7,649	649	0.63%	
2014	57	31.93	104,990	3,117	205,693	303,902	2,147	106,645	5,332	7,503	636	0.60%	
2015	58	32.93	108,139	3,311	221,605	311,821	2,203	109,844	5,492	7,360	624	0.57%	0.58%
2016	59	33.93	111,383	3,513	238,491	319,601	2,258	113,139	5,657	7,220	612	0.54%	
2017	60	34.93	114,725	3,726	256,405	327,245	2,312	116,534	5,827	7,082	601	0.52%	
2018	61	35.93	118,167	3,845	275,404	334,756	2,365	120,030	6,001	6,947	589	0.49%	
2019	62	36.93	121,712	3,960	295,550	342,136	2,417	123,630	6,182	6,815	578	0.47%	
2020	63	37.93	125,363	4,079	316,905	349,388	2,469	127,339	6,367	6,685	567	0.45%	0.49%
2021	64	38.93	129,124	4,202	339,537	356,514	2,519	131,160	6,558	6,558	556	0.42%	
2022	65	39.93	132,998	4,328	363,517	363,517	2,568	135,094	6,755	6,433	545	0.40%	

Exhibit E-1

SOLVAY CASH BALANCE PENSION PLAN
Reductions in Future Benefits (Age 65)

	Wade Jensen
Year of Birth	1961
Age on Jan. 1, 2005	43
Benefit Service on Jan. 1, 2005	13.34
Highest Average Earnings	$73,198.90
Annual Salary 2004	$84,950
Frozen Benefit on Jan. 1, 2005	$895.10
Cash Balance Account on Jan.1, 2005	$40,736.63

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Year	Age at Beginning of Year	Service at Beginning of Year	Highest Average Salary	Monthly Age 65 Benefit under Prior Plan (BoY)	Cash Balance Account at BoY	Cash Balance Account at BoY Projected to Age 65	Monthly Age 65 Benefit from Cash Balance (BoY)	Cash Balance Benefit as Percentage of Prior Plan Benefit	Cash Balance Benefit less Frozen Amount	Prior Plan Benefit less Frozen Amount	Future Benefits as Percentage of Prior Plan Formula
2005	43	13.34	$73,199	$895	$ 40,737	$119,165	$842	94%	NA	NA	NA
2006	44	14.34	75,395	991	45,487	126,724	895	90%	0	96	0%
2007	45	15.34	77,657	1,092	50,181	133,145	941	86%	46	197	23%
2008	46	16.34	79,986	1,198	56,002	141,515	1,000	83%	105	303	35%
2009	47	17.34	82,386	1,310	62,218	149,735	1,058	81%	163	414	39%
2010	48	18.34	84,858	1,427	68,851	157,808	1,115	78%	220	531	41%
2011	49	19.34	87,403	1,550	75,926	165,738	1,171	76%	276	654	42%
2012	50	20.34	90,025	1,679	83,469	173,526	1,226	73%	331	783	42%
2013	51	21.34	92,726	1,814	91,506	181,175	1,280	71%	385	919	42%
2014	52	22.34	95,508	1,956	100,066	188,689	1,333	68%	438	1,061	41%
2015	53	23.34	98,373	2,105	109,179	196,070	1,385	66%	490	1,210	41%
2016	54	24.34	101,324	2,261	118,877	203,320	1,437	64%	541	1,366	40%
2017	55	25.34	104,364	2,424	129,193	210,441	1,487	61%	592	1,529	39%
2018	56	26.34	107,495	2,595	141,259	219,139	1,548	60%	653	1,700	38%
2019	57	27.34	110,720	2,775	154,104	227,682	1,609	58%	714	1,880	38%
2020	58	28.34	114,042	2,963	167,773	236,074	1,668	56%	773	2,068	37%
2021	59	29.34	117,463	3,159	182,314	244,318	1,726	55%	831	2,264	37%
2022	60	30.34	120,987	3,365	197,774	252,416	1,783	53%	888	2,470	36%
2023	61	31.34	124,616	3,580	214,208	260,371	1,840	51%	945	2,685	35%
2024	62	32.34	128,355	3,805	231,669	268,186	1,895	50%	1,000	2,910	34%
2025	63	33.34	132,205	4,040	250,217	275,864	1,949	48%	1,054	3,145	34%
2026	64	34.34	136,172	4,286	269,912	283,407	2,002	47%	1,107	3,391	33%
2027	65	35.34	140,257	4,500	290,818	290,818	2,055	46%	1,160	3,605	32%

SOLVAY CASH BALANCE PENSION PLAN
Reductions in Future Benefits (Age 65)

	Don Goff
Year of Birth	1956
Age on Jan. 1, 2005	48
Benefit Service on Jan. 1, 2005	22.93
Highest Average Earnings	$80,465.76
Annual Salary 2004	$79,354
Frozen Benefit on Jan. 1, 2005	$1,715.32
Cash Balance Account on Jan.1, 2005	$102,384.53

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Year	Age at Beginning of Year	Service at Beginning of Year	Highest Average Salary	Monthly Age 65 Benefit under Prior Plan (BoY)	Cash Balance Account at BoY	Cash Balance Account at BoY Projected to Age 65	Monthly Age 65 Benefit from Cash Balance (BoY)	Cash Balance Benefit as Percentage of Prior Plan Benefit	Cash Balance Benefit less Frozen Amount	Prior Plan Benefit less Frozen Amount	Future Benefits as Percentage of Prior Plan Formula
2005	48	22.93	$80,466	$1,715	$ 102,385	$234,667	$1,658	97%	NA	NA	NA
2006	49	23.93	82,880	1,844	110,932	242,150	1,711	93%	0	129	0%
2007	50	24.93	85,366	1,979	120,031	249,536	1,763	89%	48	263	18%
2008	51	25.93	87,927	2,120	129,698	256,793	1,814	86%	99	404	25%
2009	52	26.93	90,565	2,267	139,964	263,922	1,865	82%	149	552	27%
2010	53	27.93	93,282	2,422	150,862	270,926	1,914	79%	199	707	28%
2011	54	28.93	96,080	2,584	163,399	279,467	1,975	76%	259	869	30%
2012	55	29.93	98,963	2,754	176,720	287,858	2,034	74%	319	1,038	31%
2013	56	30.93	101,932	2,931	190,869	296,101	2,092	71%	377	1,216	31%
2014	57	31.93	104,990	3,117	205,894	304,199	2,149	69%	434	1,401	31%
2015	58	32.93	108,139	3,311	221,843	312,156	2,206	67%	490	1,595	31%
2016	59	33.93	111,383	3,513	238,769	319,973	2,261	64%	546	1,798	30%
2017	60	34.93	114,725	3,726	256,726	327,654	2,315	62%	600	2,010	30%
2018	61	35.93	118,167	3,845	275,771	335,201	2,368	62%	653	2,130	31%
2019	62	36.93	121,712	3,960	295,966	342,617	2,421	61%	705	2,245	31%
2020	63	37.93	125,363	4,079	317,373	349,904	2,472	61%	757	2,364	32%
2021	64	38.93	129,124	4,202	340,061	357,064	2,523	60%	808	2,486	32%
2022	65	39.93	132,998	4,328	364,101	364,101	2,573	59%	857	2,612	33%

SOLVAY CASH BALANCE PENSION PLAN

Reductions in Future Benefits (Age 55 and After)

	Wade Jensen
Year of Birth	1961
Age on Jan. 1, 2005	43
Benefit Service on Jan. 1, 2005	13.34
Highest Average Earnings	$73,198.90
Annual Salary 2004	$84,950
Frozen Benefit on Jan. 1, 2005	$895.10
Cash Balance Account on Jan. 1, 2005	$40,736.63

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Year	Age at BoY	Service at BoY	Highest Average Salary	Monthly Age 65 Benefit under Prior Plan (BoY)	Cash Balance Account at BoY	Cash Balance Account at BoY Projected to Age 65	Monthly Age 65 Benefit from Cash Balance (BoY)	Monthly Age 55 Benefit under Prior Plan (BoY)	Monthly Age 55 Benefit from Cash Balance (BoY)	Cash Balance Benefit as Percentage of Prior Plan Benefit	Cash Balance Benefit less Frozen Amount	Prior Plan Benefit less Frozen Amount	Future Benefits as Percentage of Prior Plan Formula
2005	43	13.34	$73,199	$895	$ 40,737	$ 119,165	$842	$537	$394	73%	NA	NA	NA
2006	44	14.34	75,395	$991	45,487	126,724	895	595	$418	70%	0	58	0%
2007	45	15.34	77,657	$1,092	50,559	134,147	948	655	$443	68%	0	118	0%
2008	46	16.34	79,986	$1,198	56,918	143,828	1,016	719	$475	66%	0	182	0%
2009	47	17.34	82,386	$1,310	63,714	153,336	1,083	786	$506	64%	0	249	0%
2010	48	18.34	84,858	$1,427	70,974	162,673	1,149	856	$537	63%	0	319	0%
2011	49	19.34	87,403	$1,550	78,724	171,844	1,214	930	$567	61%	30	393	8%
2012	50	20.34	90,025	$1,679	86,992	180,851	1,278	1,007	$597	59%	60	470	13%
2013	51	21.34	92,726	$1,814	95,810	189,698	1,340	1,088	$626	58%	89	551	16%
2014	52	22.34	95,508	$1,956	105,209	198,387	1,402	1,174	$655	56%	118	636	19%
2015	53	23.34	98,373	$2,105	115,222	206,921	1,462	1,263	$683	54%	146	726	20%
2016	54	24.34	101,324	$2,261	125,884	215,305	1,521	1,356	$711	52%	174	819	21%
2017	55	25.34	104,364	$2,424	137,234	223,539	1,579	1,697	$738	43%	201	1,160	17%
2018	56	26.34	107,495	$2,595	150,581	233,600	1,651	1,895	$827	44%	290	1,358	21%
2019	57	27.34	110,720	$2,775	164,798	243,482	1,720	2,109	$925	44%	388	1,572	25%
2020	58	28.34	114,042	$2,963	179,936	253,189	1,789	2,340	$1,033	44%	496	1,803	28%
2021	59	29.34	117,463	$3,159	196,048	262,723	1,856	2,591	$1,154	45%	617	2,053	30%
2022	60	30.34	120,987	$3,365	213,189	272,089	1,922	2,860	$1,288	45%	751	2,323	32%
2023	61	31.34	124,616	$3,580	231,418	281,290	1,988	3,150	$1,437	46%	900	2,613	34%
2024	62	32.34	128,355	$3,805	250,796	290,328	2,051	3,463	$1,604	46%	1,067	2,926	36%
2025	63	33.34	132,205	$4,040	271,390	299,207	2,114	3,798	$1,791	47%	1,254	3,261	38%
2026	64	34.34	136,172	$4,286	293,267	307,930	2,176	4,158	$2,001	48%	1,463	3,621	40%
2027	65	35.34	140,257	$4,500	316,500	316,500	2,236	4,500	$2,236	50%	1,699	3,963	43%

SOLVAY CASH BALANCE PENSION PLAN

Exhibit F-2

Reductions in Future Benefits (Age 55 and After)

	Don Goff
Year of Birth	1956
Age on Jan. 1, 2005	48
Benefit Service on Jan. 1, 2005	22.93
Highest Average Earnings	$80,465.76
Annual Salary 2004	$79,354
Frozen Benefit on Jan. 1, 2005	$1,715.32
Cash Balance Account on Jan. 1, 2005	$102,384.53

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Year	Age at BoY	Service at BoY	Highest Average Salary	Monthly Age 65 Benefit under Prior Plan (BoY)	Cash Balance Account at BoY	Cash Balance Account at BoY Projected to Age 65	Monthly Age 65 Benefit from Cash Balance (BoY)	Monthly Age 55 Benefit under Prior Plan (BoY)	Monthly Age 55 Benefit from Cash Balance (BoY)	Cash Balance Benefit as Percentage of Prior Plan Benefit	Cash Balance Benefit less Frozen Amount	Prior Plan Benefit less Frozen Amount	Future Benefits as Percentage of Prior Plan Formula Benefit
2005	48	22.93	$80,466	$1,715	$ 102,385	$ 234,667	$1,658	$1,029	$775	75%	NA	NA	NA
2006	49	23.93	82,880	$1,844	110,932	242,150	1,711	1,106	800	72%	0	77	0%
2007	50	24.93	85,366	$1,979	120,014	249,501	1,763	1,187	824	69%	0	158	0%
2008	51	25.93	87,927	$2,120	129,663	256,723	1,814	1,272	848	67%	0	243	0%
2009	52	26.93	90,565	$2,267	139,908	263,818	1,864	1,360	871	64%	0	331	0%
2010	53	27.93	93,282	$2,422	150,785	270,789	1,913	1,453	894	62%	0	424	0%
2011	54	28.93	96,080	$2,584	163,294	279,289	1,973	1,550	922	59%	0	521	0%
2012	55	29.93	98,963	$2,754	176,585	287,639	2,032	1,928	950	49%	0	898	0%
2013	56	30.93	101,932	$2,931	190,703	295,843	2,090	2,140	1,047	49%	18	1,110	2%
2014	57	31.93	104,990	$3,117	205,693	303,902	2,147	2,369	1,154	49%	125	1,339	9%
2015	58	32.93	108,139	$3,311	221,605	311,821	2,203	2,615	1,273	49%	244	1,586	15%
2016	59	33.93	111,383	$3,513	238,491	319,601	2,258	2,881	1,404	49%	375	1,852	20%
2017	60	34.93	114,725	$3,726	256,405	327,245	2,312	3,167	1,549	49%	520	2,138	24%
2018	61	35.93	118,167	$3,845	275,404	334,756	2,365	3,384	1,711	51%	681	2,354	29%
2019	62	36.93	121,712	$3,960	295,550	342,136	2,417	3,604	1,891	52%	861	2,575	33%
2020	63	37.93	125,363	$4,079	316,905	349,388	2,469	3,834	2,091	55%	1,062	2,805	38%
2021	64	38.93	129,124	$4,202	339,537	356,514	2,519	4,075	2,316	57%	1,287	3,046	42%
2022	65	39.93	132,998	$4,328	363,517	363,517	2,568	4,328	2,568	59%	1,539	3,298	47%

SOLVAY CASH BALANCE PENSION PLAN

Duration of Wearaway by Age

	Wade Jensen
Year of Birth	1961
Age on Jan. 1, 2005	43
Benefit Service on Jan. 1, 2005	13.34
Highest Average Earnings	$73,198.90
Annual Salary 2004	$84,950
Frozen Benefit on Jan. 1, 2005	$895.10
Cash Balance Account on Jan.1, 2005	$40,736.63

Duration of Wearaway 4.9 Years Potential Damages $18,354 Actual Damages to 12/31/2008 $15,497

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Year	Age at BoY	Service at BoY	Highest Average Salary	Monthly Age 65 Frozen Benefit under Prior Plan at BoY	Present Value of Frozen Prior Plan Benefit at BoY	Cash Balance Account at BoY	Cash Balance Account at EoY	Cash Balance Account at EoY Projected to Age 65	Monthly Age 65 Benefit under Cash Balance Plan (EoY)	Existence of Wearaway Based on Age 65 Benefit	Monthly Age 55 or Over Benefit under Cash Balance Plan (EoY)	Monthly Age 55 or Over Benefit under Prior Plan (EoY)	Existence of Wearaway Based on Age 55 or Over Benefit	Duration of Potential Wearaway (to one decimal place)	Zero OAB Cash Balance Account at BoY	Interest Credit	Zero OAB Cash Balance @ 12/31	Actual Damages
2005	43	13.34	$73,199	$ 895	43,306	40,737	$45,487	$126,724	895	Yes	418	537	Yes	1	0	50	2,675	2,594
2006	44	14.34	75,395		45,472	45,487	50,559	$134,147	948		443	537	Yes	1	2,675	187	5,566	5,810
2007	45	15.34	77,657		47,745	50,559	56,918	$143,828	1,016		475	537	Yes	1	5,566	354	9,632	10,605
2008	46	16.34	79,986		50,133	56,918	63,714	$153,336	1,083		506	537	Yes	1	9,632	563	14,020	15,497
2009	47	17.34	82,386		52,639	63,714	70,974	$162,673	1,149		537	537	Yes	0.9	14,020	789	18,354	
2010	48	18.34	84,858		55,271	70,974	78,724	$171,844	1,214		567	537						
2011	49	19.34	87,403		58,035	78,724	86,992	$180,851	1,278		597	537						
2012	50	20.34	90,025		60,937	86,992	95,810	$189,698	1,340		626	537						
2013	51	21.34	92,726		63,983	95,810	105,209	$198,387	1,402		655	537						
2014	52	22.34	95,508		67,183	105,209	115,222	$206,921	1,462		683	537						
2015	53	23.34	98,373		70,542	115,222	125,884	$215,305	1,521		711	537						
2016	54	24.34	101,324		74,069	125,884	137,234	$223,539	1,579		738	627						
2017	55	25.34	104,364		77,772	137,234	150,581	$233,600	1,651		827	653						
2018	56	26.34	107,495		81,661	150,581	164,798	$243,482	1,720		925	680						
2019	57	27.34	110,720		85,744	164,798	179,936	$253,189	1,789		1,033	707						
2020	58	28.34	114,042		90,031	179,936	196,048	$262,723	1,856		1,154	734						
2021	59	29.34	117,463		94,533	196,048	213,189	$272,089	1,922		1,288	761						
2022	60	30.34	120,987		99,259	213,189	231,418	$281,290	1,988		1,437	788						
2023	61	31.34	124,616		104,222	231,418	250,796	$290,328	2,051		1,604	815						
2024	62	32.34	128,355		109,433	250,796	271,390	$299,207	2,114		1,791	841						
2025	63	33.34	132,205		114,905	271,390	293,267	$307,930	2,176		2,001	868						
2026	64	34.34	136,172		120,650	293,267	316,500	$316,500	2,236		2,236	895						
2027	65	35.34	140,257		126,683	316,500	341,166	$341,166	2,411		2,627	537						

Exhibit G-2

SOLVAY CASH BALANCE PENSION PLAN

Duration of Wearaway by Age

	Don Goff
Year of Birth	1956
Age on Jan. 1, 2005	48
Benefit Service on Jan. 1, 2005	22.93
Highest Average Earnings	$80,465.76
Annual Salary 2004	$79,354
Frozen Benefit on Jan. 1, 2005	$1,715.32
Cash Balance Account on Jan.1, 2005	$102,384.53

Duration of Wearaway 11.4 Years Potential Damages $67,146 Actual Damages to 12/31/2008 $2,943

(1) Year	(2) Age at BoY	(3) Service at BoY	(4) Highest Average Salary	(5) Monthly Age 65 Frozen Benefit under Prior Plan at BoY	(6) Present Value of Frozen Prior Plan Benefit at BoY	(7) Cash Balance Account at BoY	(8) Cash Balance Account at EoY	(9) Cash Balance Account at EoY Projected to Age 65	(10) Monthly Age 65 Benefit under Cash Balance Plan (EoY)	(11) Existence of Wearaway Based on Age 65 Benefit	(12) Monthly Age 55 or Over Benefit under Cash Balance Plan (EoY)	(13) Monthly Age 55 or Over Benefit under Prior Plan (EoY)	(14) Existence of Wearaway Based on Age 55 or Over Benefit	(15) Duration of Potential Wearaway (to one decimal place)	(16) Zero OAB Cash Balance Account at BoY	(17) Interest Credit	(18) Zero OAB Cash Balance @ 12/31	(19) Actual Damages
2005	48	22.93	$80,466	$ 1,715	105,919	102,385	$110,932	$242,150	1,711	Yes	800	1,029	Yes	1	0	62	3,331	2,542
2006	49	23.93	82,880		111,215	110,932	120,014	$249,501	1,763	Yes	824	1,029	Yes	1	3,331	233	6,932	
2007	50	24.93	85,366		116,775	120,014	129,663	$256,723	1,814		848	1,029	Yes	1	6,932	419	10,819	
2008	51	25.93	87,927		122,614	129,663	139,908	$263,818	1,864		871	1,029	Yes	1	10,819	619	15,010	
2009	52	26.93	90,565		128,745	139,908	150,785	$270,789	1,913		894	1,029	Yes	1	15,010	834	19,524	
2010	53	27.93	93,282		135,182	150,785	163,294	$279,289	1,973		922	1,029	Yes	1	19,524	1084	25,346	
2011	54	28.93	96,080		141,941	163,294	176,585	$287,639	2,032		950	1,201	Yes	1	25,346	1384	31,610	
2012	55	29.93	98,963		149,038	176,585	190,703	$295,843	2,090		1,047	1,252	Yes	1	31,610	1705	38,341	
2013	56	30.93	101,932		156,490	190,703	205,693	$303,902	2,147		1,154	1,304	Yes	1	38,341	2051	45,569	
2014	57	31.93	104,990		164,315	205,693	221,605	$311,821	2,203		1,273	1,355	Yes	1	45,569	2422	53,324	
2015	58	32.93	108,139		172,530	221,605	238,491	$319,601	2,258		1,404	1,407	Yes	1	53,324	2820	61,637	
2016	59	33.93	111,383		181,157	238,491	256,405	$327,245	2,312		1,549	1,458	Yes	0.4	61,637	3247	67,146	
2017	60	34.93	114,725		190,215	256,405	275,404	$334,756	2,365		1,711	1,509						
2018	61	35.93	118,167		199,726	275,404	295,550	$342,136	2,417		1,891	1,561						
2019	62	36.93	121,712		209,712	295,550	316,905	$349,388	2,469		2,091	1,612						
2020	63	37.93	125,363		220,197	316,905	339,537	$356,514	2,519		2,316	1,664						
2021	64	38.93	129,124		231,207	339,537	363,517	$363,517	2,568		2,568	1,715						
2022	65	39.93	132,998		242,768	363,517	388,919	$370,399	2,617		2,617	1,715						

204(H) NOTICE FOR PARTICIPANTS OF THE SOLVAY AMERICA COMPANIES' PENSION PLAN

You are a participant of the Solvay America Companies' Pension Plan (the "current plan") and are accumulating benefits under the current plan benefit formula. Effective January 1, 2005, the current plan will be changed to the Retirement Account Balance Plan (the "new plan").

This notice provides:

- A summary of the plan formula changes,
- Information about additional savings plan enhancements and transition accounts,
- Comparison of early retirement benefits in the current and new plans, and
- Comparative examples of the benefits under the current plan formula and the new plan formula for sample employees.

If you are employed on January 1, 2005, you will be eligible for benefits calculated under the new plan as follows[1]:

- For eligible pay and credited service through December 31, 2004, your monthly annuity that has been earned under the current retirement plan formula will be converted on a present value basis into a lump sum, which will become the starting account balance in the new plan. However, you will always be able to receive the monthly annuity earned through December 31, 2004 based on the same options and features of the old plan.

  PLUS

- For service on or after January 1, 2005, you will receive a benefit from the new plan formula as long as you are vested when you leave the Solvay America Company you work for.

About This Notice

This notice provides information about the changes to the Solvay America Companies' Pension Plan and the impact that these changes will have on future benefits, as is required by Section 204(h) of the Employee Retirement Income Security Act (ERISA). This notice, along with the attached brochure, also serves as a summary of material modifications for the plan amendment effective January 1, 2005, as required by ERISA. It must be provided to plan participants whose benefits will be affected by the change. These include employees who are eligible to participate in the Solvay America Companies' Pension Plan as of December 31, 2004.

This notice is in no way a guarantee of continued employment or payment of benefits. Although every effort has been made to accurately report plan provisions, the information in this notice will always be superseded by the terms of the actual plan documents.

[1] Employees who are 50 years of age and have 10 years of credited plan service as of January 1, 2005 will have the opportunity to choose to stay under the current plan benefit formula or opt to receive benefits under the new plan benefit formula, along with other benefits that together comprise the FutureChoice retirement program. If you are a member of this group, you will be notified of your ability to choose to remain under the current plan benefit formula.

Summary of Plan Formula Changes

Under the current plan, you earn a life annuity commencing at age 65 equal to a percentage of average earnings prior to retirement for each year of service (1.1% of average earnings plus 0.6% of average earnings in excess of Social Security covered compensation). Generally, this benefit cannot be taken as a lump sum. The current plan also allows you to retire as early as age 55 and receive a life annuity commencing on your early retirement date but reduced to reflect the earlier commencement. The current plan formula includes an early retirement subsidy.

Under the new Retirement Account Balance Plan, your benefit is described in terms of an account balance, which you will be able to receive either as a lump sum or a life annuity. Your account grows each year with interest as well as pay credits. Interest credits vary each year depending on the prevailing yields on 30-year Treasury Bonds. The pay credits vary depending on your age and service as follows.

Points (Your Age + Years of Credited Service)	Credit Applied to All of Your Pension-Eligible Earnings	Credit Applied to Your Pension-Eligible Earnings in Excess of the Social Security Wage Base
Less than 40	2.50%	1.25%
40-59	3.00%	1.50%
60-79	4.00%	2.00%
80 or more	5.00%	2.50%

The benefit you have earned or accrued as of December 31, 2004 under the current plan will be converted to your starting account balance under the new plan by taking the actuarial present value of your accrued benefit based on a 5% discount rate. Early retirement factors are not considered in this calculation. The present value calculation assumes that you do not retire until age 65. Therefore, the starting account balance does not include the value of the early retirement subsidy.

You can always elect to receive your account balance in the form of a life annuity under the new plan. Your life annuity at any retirement age will never be less than the retirement benefit you will have earned under the current plan as of December 31, 2004, which will include an early retirement subsidy, if applicable. In addition, the same optional forms of payment available under the current plan will be available under the new Retirement Account Balance Plan. The benefit you earn after December 31, 2004 under the new Retirement Account Balance Plan formula will not include early retirement subsidies.

Savings Plan Enhancements

In addition to the changes to the Solvay America Companies' Pension Plan, Solvay America is also enhancing the company match in the Solvay America Companies' Savings Plan for those that participate in the Retirement Account Balance Plan. If you are currently eligible to receive a dollar-for-dollar match on the first 7% of pay you contribute to the savings plan, then beginning in 2005, you will be eligible for a larger match on your contributions to the enhanced savings plan — 100% of your contributions up to 9% of eligible earnings[1]. You will also receive an additional "transition" contribution to the enhanced savings plan of 1.25% of eligible compensation regardless of whether you contribute to the enhanced savings plan or not.

[1] If you are currently eligible for a dollar-for-dollar match on the first 5% of pay you contribute to the Solvay America Companies' Savings Plan, your company match will increase to a dollar-for-dollar match up to 7% of pay if you participate in the Retirement Account Balance Plan.

These benefit enhancements to the Savings Plan are only provided to those employees participating in the *Retirement Account Balance Plan* and provide additional ways to meet your retirement savings goals in the future.

Early Retirement Benefits

Some participants may notice that while their lump sum benefit always grows, their monthly benefit may not increase at the same rate or at all in some years. This could be due to changes in prevailing interest rates. The lower the interest rate used to convert account balances to annuities, the smaller the annuity equivalent of your account balance will be (and vice versa). Flat or small monthly benefit increases can also be due to the fact that the starting account balance used by Solvay America does not take into account early retirement subsidies.

For example, take an employee who is age 54 as of December 31, 2004 with 12 years of service and earnings of $50,000. Her monthly benefit earned under the current plan as of December 31, 2004 is $500 payable for life beginning at age 65. Her opening balance in the new plan is $39,000. The following chart compares the monthly annuity earned under the current plan at December 31, 2004 (which will be payable to her as a protected minimum benefit) to the monthly annuity and lump sum benefit under the new plan that would be payable at each retirement age from 55 to 65.

Age	Current Plan Monthly Benefit December 31, 2004	New Plan	
		Monthly Benefit	Lump Sum
55	$350	$350	$42,800
56	365	365	47,100
57	380	380	51,600
58	395	395	56,400
59	410	410	61,500
60	425	425	67,000
61	440	470	72,800
62	455	520	79,000
63	470	575	85,500
64	485	640	92,400
65	500	705	99,800

In this example, while the lump sum in the new plan continues to increase with pay and interest credits at each age, the actuarial equivalent monthly annuity will be no greater than the monthly annuity earned as of December 31, 2004 until this employee reaches age 61, when she will begin to earn an additional annuity benefit under the new plan formula. While the new pension formula does not show an increase in the annuity values between ages 55 and 60, it also does not take into consideration the additional 2% match and 1.25% “transition” contribution under the newly enhanced Savings Plan .

Benefit Examples for Sample Employees

Understanding the Following Benefit Examples

The examples[1] on the next few pages are designed to help you understand how the plan changes may affect your future benefits. The examples compare benefits under the current benefit formula and the Retirement Account Balance Plan formula for representative employees (not real people) with different ages and years of service with Solvay America as of January 1, 2005. **Although they are not personalized, the examples will help you understand the potential impact of the formula changes on your plan benefits.** You should review the examples that are closest to your current age, service and compensation. **The following examples do not include the enhanced savings plan benefits.**

The table compares benefits payable under the current formula (assuming that formula had remained in effect after January 1, 2005) and under the new formula. The numbers shown in the new formula column take into account the Retirement Account Balance Plan benefit and the frozen benefit under the current formula as of December 31, 2004.

The assumptions used for the calculations are shown after the examples. Any changes in these assumptions would change the estimated projections shown in the examples. In fact, it is likely that actual experience will differ from these assumptions.

About Tables A and B

These tables are meant to illustrate a comparison between what employees are projected to have received if the plan would have kept its current formula in 2005 and beyond, and what they are projected to receive in the new formula. Tables A and B show sample participants with pensionable earnings during 2004 of $45,000 and $90,000, respectively.

The tables show the before-tax future benefits that would be paid to them at age 65 as a single life annuity (monthly payments for life). The first scenario (the left-hand portion of the table) assumes each of these people leaves Solvay America at age 65. The second scenario (the right-hand portion of the table) assumes each of these people leaves Solvay America at age 55.

The examples in tables A and B do not include the additional enhanced savings plan benefits.

[1] These examples are for illustrative purposes only. Actual experience will differ from these assumptions. Receiving this notice is in no way a guarantee of continued employment or payment of benefits.

Benefit Examples

Monthly Benefits Payable as a Single Life Annuity
For an Employee With $45,000 in Eligible Pay

Table A		Amount of Retirement Benefit at Age 65 If Employee Leaves at Age 65			Amount of Retirement Benefit at Age 55 If Employee Leaves at Age 55		
		Current Formula[1]	*New Formula*		*Current Formula*[1]	*New Formula*	
Age at 1/1/2005	***Service at 1/1/2005***	***Monthly Benefit***	***Monthly Benefit***	***Lump Sum***	***Monthly Benefit***	***Monthly Benefit***	***Lump Sum***
30	5	$3,700	$1,900	$263,000	$2,400	$700	$119,000
40	5	2,400	1,000	142,000	800	300	57,000
40	10	2,800	1,200	174,000	1,000	400	75,000
40	15	2,800	1,400	204,000	1,800	500	94,000
50	10	1,500	700	102,000	500	300	41,000
50	15	1,800	900	129,000	600	400	57,000
55	20	1,500	900	132,000	500	500	62,000
60	20	1,100	800	116,000	600[2]	600[2]	81,000[2]

Monthly Benefits Payable as a Single Life Annuity
For an Employee With $90,000 in Eligible Pay

Table B		Amount of Monthly Annuity at Age 65 If Employee Leaves at Age 65			Amount of Retirement Benefit at Age 55 If Employee Leaves at Age 55		
		Current Formula[1]	*New Formula*		*Current Formula*[1]	*New Formula*	
Age at 1/1/2005	***Service at 1/1/2005***	***Monthly Benefit***	***Monthly Benefit***	***Lump Sum***	***Monthly Benefit***	***Monthly Benefit***	***Lump Sum***
30	5	$8,500	$3,700	$527,000	$5,000	$1,400	$239,000
40	5	5,400	2,000	284,000	1,700	700	114,000
40	10	6,400	2,500	348,000	2,200	900	151,000
40	15	6,400	2,900	407,000	3,700	1,100	187,000
50	10	3,400	1,500	208,000	1,000	500	85,000
50	15	4,100	1,900	262,000	1,300	800	116,000
55	20	3,600	2,000	282,000	1,200	1,200	135,000
60	20	2,600	1,900	264,000	1,500[2]	1,500[2]	186,000[2]

The amounts shown above do not include the additional enhanced savings plan benefits.

---

1 The benefit under the current formula is generally only payable as a monthly annuity.

2 For the sample employee who is age 60 with 20 years of service, the benefits shown in the last three columns are the retirement benefits payable at age 60 assuming the employee retires immediately.

Assumptions

- The Retirement Account Balance Plan amounts shown are credited with an interest rate of 5.0% per year, equal to the average 30-year Treasury Bond rate during the first six months of 2004.
- Future compensation for the examples shown is assumed to increase at a rate of 3.0% annually.
- The Social Security Wage Base increases 3.0% per year.
- Actuarial equivalence used to convert the cash balance lump sum to a monthly annuity and to calculate the opening balance is based on the most recent IRS-mandated mortality table, GAR-94, and 5.0% interest.

Questions?

If you have questions after reading this, please contact your local HR representative or the Solvay America Benefits Department.

Exhibit I

Effective: October 20, 2006

Code of Federal Regulations Currentness
Title 26. Internal Revenue
Chapter I. Internal Revenue Service, Department of the Treasury
Subchapter D. Miscellaneous Excise Taxes
Part 54. Pension Excise Taxes (Refs & Annos)

§ 54.4980F-1 Notice requirements for certain pension plan amendments significantly reducing the rate of future benefit accrual.

The following questions and answers concern the notification requirements imposed by 4980F of the Internal Revenue Code and section 204(h) of ERISA relating to a plan amendment of an applicable pension plan that significantly reduces the rate of future benefit accrual or that eliminates or significantly reduces an early retirement benefit or retirement-type subsidy.

List of Questions

Q-1. What are the notice requirements of section 4980F(e) of the Internal Revenue Code and section 204(h) of ERISA?

Q-2. What are the differences between section 4980F and section 204(h)?

Q-3. What is an “applicable pension plan” to which section 4980F and section 204(h) apply?

Q-4. What is “section 204(h) notice” and what is a “section 204(h) amendment”?

Q-5. For which amendments is section 204(h) notice required?

Q-6. What is an amendment that reduces the rate of future benefit accrual or reduces an early retirement benefit or retirement-type subsidy for purposes of determining whether section 204(h) notice is required?

Q-7. What plan provisions are taken into account in determining whether an amendment is a section 204(h) amendment?

Q-8. What is the basic principle used in determining whether a reduction in the rate of future benefit accrual or a reduction in an early retirement benefit or retirement-type subsidy is significant for purposes of section 4980F and section 204(h)?

Q-9. When must section 204(h) notice be provided?

Q-10. To whom must section 204(h) notice be provided?

Q-11. What information is required to be provided in a section 204(h) notice?

Q-12. What special rules apply if participants can choose between the old and new benefit formulas?

Q-13. How may section 204(h) notice be provided?

Q-14. What are the consequences if a plan administrator fails to provide section 204(h) notice?

Q-15. What are some of the rules that apply with respect to the excise tax under section 4980F?

Q-16. How do section 4980F and section 204(h) apply when a business is sold?

Q-17. How are amendments to cease accruals and terminate a plan treated under section 4980F and section 204(h)?

Q-18. What are the effective dates of section 4980F, section 204(h), as amended by EGTRRA, and these regulations?

Q-11. What information is required to be provided in a section 204(h) notice?

A-11. (a) Explanation of notice requirements--(1) In general. Section 204(h) notice must include sufficient information to allow applicable individuals to understand the effect of the plan amendment. In order to satisfy this rule, a plan administrator providing section 204(h) notice must satisfy each of the following requirements of this paragraph (a).

(2) Information in section 204(h) notice. The information in a section 204(h) notice must be written in a manner calculated to be understood by the average plan participant and to apprise the applicable individual of the significance of the notice.

(3) Required narrative description of amendment--(i) Reduction in rate of future benefit accrual. In the case of an amendment reducing the rate of future benefit accrual, the notice must include a description of the benefit or allocation formula prior to the amendment, a description of the benefit or allocation formula under the plan as amended, and the effective date of the amendment.

(ii) Reduction in early retirement benefit or retirement-type subsidy. In the case of an amendment that reduces an early retirement benefit or retirement-type subsidy (other than as a result of an amendment reducing the rate of future benefit accrual), the notice must describe how the early retirement benefit or retirement-type subsidy is calculated from the accrued benefit before the amendment, how the early retirement benefit or retirement-type subsidy is calculated from the accrued benefit after the amendment, and the effective date of the amendment. For example, if, for a plan with a normal retirement age of 65, the change is from an unreduced normal retirement benefit at age 55 to an unreduced normal retirement benefit at age 60 for benefits accrued in the future, with an actuarial reduction to apply for benefits accrued in the future to the extent that the early retirement benefit begins before age 60, the notice must state the change and specify the factors that apply in calculating the actuarial reduction (for example, a 5% per year reduction applies for early retirement before age 60).

(4) Sufficient information to determine the approximate magnitude of reduction--(i) General rule. (A) Section 204(h) notice must include sufficient information for each applicable individual to determine the approximate magnitude of the expected reduction for that individual. Thus, in any case in which it is not reasonable to expect that the approximate magnitude of the reduction for each applicable individual will be reasonably apparent from the description of the amendment provided in accordance with paragraph (a)(3) of this Q&A-11, further information is required. The further information may be provided by furnishing additional narrative information or in other information that satisfies this paragraph of this section.

(B) To the extent any expected reduction is not uniformly applicable to all participants, the notice must either identify the general classes of participants to whom the reduction is expected to apply, or by some other method include sufficient information to allow each applicable individual receiving the notice to determine which reductions are expected to apply to that individual.

(ii) Illustrative examples--(A) Requirement generally. The requirement to include sufficient information for each applicable individual to determine the approximate magnitude of the expected reduction for that individual under (a)(4)(i)(A) of this Q&A-11 is deemed satisfied if the notice includes one or more illustrative examples showing the approximate magnitude of the reduction in the examples, as provided in this paragraph (a)(4)(ii). Illustrative examples are in any event required to be provided for any change from a traditional defined benefit formula to a cash balance formula or a change that results in a period of time during which there are no accruals (or minimal accruals) with regard to normal retirement benefits or an early retirement subsidy (a wear-away period).

(B) Examples must bound the range of reductions. Where an amendment results in reductions that vary (either among participants, as would occur for an amendment converting a traditional defined benefit formula to a cash balance formula, or over time as to any individual participant, as would occur for an amendment that results in a wear-away period), the illustrative example(s) provided in accordance with this paragraph (a)(4)(ii) must show the approximate range of the reductions. However, any reductions that are likely to occur in only a de minimis number of cases are not required to be taken into account in determining the range of the reductions if a narrative statement is included to that effect and examples are provided that show the approximate range of the reductions in other cases. Amendments for which the maximum reduction occurs under identifiable circumstances, with proportionately smaller reductions in other cases, may be illustrated by one example illustrating the maximum reduction, with a statement that smaller reductions also occur. Further, assuming that the reduction varies from small to large depending on service or other factors, two illustrative examples may be provided showing the smallest likely reduction and the largest likely reduction.

(C) Assumptions used in examples. The examples provided under this paragraph (a)(4)(ii) are not required to be based on any particular form of payment (such as a life annuity or a single sum), but may be based on whatever form appropriately illustrates the reduction. The examples generally may be based on any reasonable assumptions (for example, assumptions relating to the representative participant's age, years of service, and compensation, along with any interest rate and mortality table used in the illustrations, as well as salary scale assumptions used in the illustrations for amendments that alter the compensation taken into account under the plan), but the section 204(h) notice must identify those assumptions. However, if a plan's benefit provisions include a factor that varies over time (such as a variable interest rate), the determination of whether an amendment is reasonably expected to result in a wear-away period must be based on the value of the factor applicable under the plan at a time that is reasonably close to the date section 204(h) notice is provided, and any wear-away period that is solely a result of a future change in the variable factor may be disregarded. For example, to determine whether a wear-away occurs as a result of a section 204(h) amendment that converts a defined benefit plan to a cash balance pension plan that will credit interest based on a variable interest factor specified in the plan, the future interest credits must be projected based on the interest rate applicable under the variable factor at the time section 204(h) notice is provided.

(D) Individual statements. This paragraph (a)(4)(ii) may be satisfied by providing a statement to each applicable individual projecting what that individual's future benefits are reasonably expected to be at various future dates and what that individual's future benefits would have been under the terms of the plan as in effect before the section 204(h) amendment, provided that the statement includes the same information required for examples under paragraphs (a)(4)(ii)(A) through (C) of this Q&A-11, including showing the approximate range of the reductions for the individual if the reductions vary over time and identification of the assumptions used in the projections.

(5) No false or misleading information. A section 204(h) notice may not include materially false or misleading information (or omit information so as to cause the information provided to be misleading).

(6) Additional information when reduction not uniform--(i) In general. If an amendment by its terms affects different classes of participants differently (e.g., one new benefit formula will apply to Division A and another to Division B), then the requirements of paragraph (a) of this Q&A-11 apply separately with respect to each such general class of participants. In addition, the notice must include sufficient information to enable an applicable individual who is a participant to understand which class he or she is a member of.

(ii) Option for different section 204(h) notices. If a section 204(h) amendment affects different classes of applicable individuals differently, the plan administrator may provide to differently affected classes of applicable individuals a section 204(h) notice appropriate to those individuals. Such section 204(h) notice may omit information that does not apply to the applicable individuals to whom it is furnished, but must identify the class or classes of applicable individuals to whom it is provided.

(b) Examples. The following examples illustrate the requirements paragraph (a) of this Q&A-11. In each example, it is assumed that the actual notice provided is written in a manner calculated to be understood by the average plan participant and to apprise the applicable individual of the significance of the notice in accordance with paragraph (a)(2) of this Q&A-11. The examples are as follows:

Example 1. (i) Facts. Plan A provides that a participant is entitled to a normal retirement benefit of 2% of the participant's average pay over the 3 consecutive years for which the average is the highest (highest average pay) multiplied by years of service. Plan A is amended to provide that, effective January 1, 2004, the normal retirement benefit will be 2% of the participant's highest average pay multiplied by years of service before the effective date, plus 1% of the participant's highest average pay multiplied by years of service after the effective date. The plan administrator provides notice that states: “Under the Plan's current benefit formula, a participant's normal retirement benefit is 2% of the participant's average pay over the 3 consecutive years for which the average is the highest multiplied by the participant's years of service. This formula is being changed by a plan amendment. Under the Plan as amended, a participant's normal retirement benefit will be the sum of 2% of the participant's average pay over the 3 consecutive years for which the average is the highest multiplied by years of service before the January 1, 2004 effective date, plus 1% of the participant's average pay over the 3 consecutive years for which the average is the highest multiplied by the participant's years of service after December 31, 2003. This change is effective on January 1, 2004.” The notice does not contain any additional information.

(ii) Conclusion. The notice satisfies the requirements of paragraph (a) of this Q&A-11.

Example 2. (i) Facts. Plan B provides that a participant is entitled to a normal retirement benefit at age 64 of 2.2% of the participant's career average pay multiplied by years of service. Plan B is amended to cease all accruals, effective January 1, 2004. The plan administrator provides notice that includes a description of the old benefit formula, a statement that, after December 31, 2003, no participant will earn any further accruals, and the effective date of the amendment. The notice does not contain any additional information.

(ii) Conclusion. The notice satisfies the requirements of paragraph (a) of this Q&A-11.

Example 3. (i) Facts. Plan C provides that a participant is entitled to a normal retirement benefit at age 65 of 2% of career average compensation multiplied by years of service. Plan C is amended to provide that the normal retirement benefit will be 1% of average pay over the 3 consecutive years for which the average is the highest multiplied by years of service. The amendment only applies to accruals for years of service after the amendment, so that each employee's accrued benefit is equal to the sum of the benefit accrued as of the effective date of the amendment plus the accrued benefit equal to the new formula applied to years of service beginning on or after the effective date. The plan administrator provides notice that describes the old and new benefit formulas and also explains that for an individual whose compensation increases over the individual's career such that the individual's highest 3-year average exceeds the individual's career average, the reduction will be less or there may be no reduction. The notice does not contain any additional information.

(ii) Conclusion. The notice satisfies the requirements of paragraph (a) of this Q&A-11.

Example 4. (i) Facts. (A) Plan D is a defined benefit pension plan under which each participant accrues a normal retirement benefit, as a life annuity beginning at the normal retirement age of 65, equal to the participant's number of years of service multiplied by 1.5 percent multiplied by the participant's average pay over the 3 consecutive years for which the average is the highest. Plan D provides early retirement benefits for former employees beginning at or after age 55 in the form of an early retirement annuity that is actuarially equivalent to the normal retirement benefit, with the reduction for early commencement based on reasonable actuarial assumptions that are specified in Plan D. Plan D provides for the suspension of benefits of participants who continue in employment beyond normal retirement age, in accordance with section 203(a)(3)(B) of ERISA and regulations thereunder issued by the Department of Labor. The pension of a participant who retires after age 65 is calculated under the same normal retirement benefit formula, but is based on the participant's service credit and highest 3-year pay at the time of late retirement with any appropriate actuarial increases.

(B) Plan D is amended, effective July 1, 2005, to change the formula for all future accruals to a cash balance formula under which the opening account balance for each participant on July 1, 2005, is zero, hypothetical pay credits equal to 5 percent of pay are credited to the account thereafter, and hypothetical interest is credited monthly based on the applicable interest rate under section 417(e)(3) of the Internal Revenue Code at the beginning of the quarter. Any participant who terminates employment with vested benefits can receive an actuarially equivalent annuity (based on the same reasonable actuarial assumptions that are specified in Plan D) commencing at any time after termination of employment and before the plan's normal retirement age of 65. The benefit resulting from the hypothetical account balance is in addition to the benefit accrued before July 1, 2005 (taking into account only service and highest 3-year pay before July 1, 2005), so that it is reasonably expected that no wear-away period will result from the amendment. The plan administrator expects that, as a general rule, depending on future pay increases and future interest rates, the rate of future benefit accrual after the conversion is higher for participants who accrue benefits before approximately age 50 and after approximately age 70, but is lower for participants who accrue benefits between approximately age 50 and age 70.

(C) The plan administrator of Plan D announces the conversion to a cash balance formula on May 16, 2005. The announcement is delivered to all participants and includes a written notice that describes the old formula, the new formula, and the effective date.

(D) In addition, the notice states that the Plan D formula before the conversion provided a normal retirement benefit equal to the product of a participant's number of years of service multiplied by 1.5 percent multiplied by the participant's average pay over the 3 years for which the average is the highest (highest 3-year pay). The notice includes an example showing the normal retirement benefit that will be accrued after June 30, 2005 for a participant who is age 49 with 10 years of service at the time of the conversion. The plan administrator reasonably believes that such a participant is representative of the participants whose rate of future benefit accrual will be reduced as a result of the amendment. The example estimates that, if the participant continues employment to age 65, the participant's normal retirement benefit for service from age 49 to age 65 will be $657 per month for life. The example assumes that the participant's pay is $50,000 at age 49. The example states that the estimated $657 monthly pension accrues over the 16-year period from age 49 to age 65 and that, based on assumed future pay increases, this amount annually would be 9.1 percent of the participant's highest 3-year pay at age 65, which over the 16 years from age 49 to age 65 averages 0.57 percent per year multiplied by the participant's highest 3-year pay. The example also states that the sum of the monthly annuity accrued before the conversion in the 10-year period from age 39 to age 49 plus the $657 monthly annuity estimated to be accrued over the 16-year period from age 49 to age 65 is $1,235 and that, based on assumed future increases in pay, this would be 17.1 percent of the participant's highest 3-year pay at age 65, which over the employee's career from age 39 to age 65 averages 0.66 percent per year multiplied by the participant's highest 3-year pay. The notice also includes two other examples with similar information, one of which is intended to show the circumstances in which a small reduction may occur and the other of which shows the largest reduction that the plan administrator thinks is likely to occur. The notice states that the estimates are based on the assumption that pay increases annually after June 30, 2005, at a 4 percent rate. The notice also specifies that the applicable interest rate under section 417(e) for hypothetical interest credits after June 30, 2005 is assumed to be 6 percent, which is the section 417(e) of the Internal Revenue Code applicable interest rate under the plan for 2005.

(ii) Conclusion. The information in the notice, as described in paragraph (i)(C) and (i)(D) of this Example 4, satisfies the requirements of paragraph (a)(3) of this Q&A-11 with respect to applicable individuals who are participants. The requirements of paragraph (a)(4) of this Q&A-11 are satisfied because, as noted in paragraph (i)(D) of this Example 4, the notice describes the old formula and describes the estimated future accruals under the new formula in terms that can be readily compared to the old formula, *i.e.*, the notice states that the estimated $657 monthly pension accrued over the 16-year period from age 49 to age 65 averages 0.57 percent of the participant's highest 3-year pay at age 65. The requirement in paragraph (a)(4)(ii) of this Q&A-11 that the examples include sufficient information to be able to determine the approximate magnitude of the reduction would also be satisfied if the notice instead directly stated the amount of the monthly pension that would have accrued over the 16-year period from age 49 to age 65 under the old formula.

Example 5. (i) Facts. The facts are the same as in Example 4, except that, under the plan as in effect before the amendment, the early retirement pension for a participant who terminates employment after age 55 with at least 20 years of service is equal to the normal retirement benefit without reduction from age 65 to age 62 and reduced by only 5 percent per year for each year before age 62. As a result, early retirement benefits for such a participant constitute a retirement-type subsidy. The plan as in effect after the amendment provides an early retirement benefit equal to the sum of the early retirement benefit payable under the plan as in effect before the amendment taking into account only service and highest 3-year pay before July 1, 2005, plus an early retirement annuity that is actuarially equivalent to the account balance for service after June 30, 2005. The notice provided by the plan administrator describes the old early retirement annuity, the new early retirement annuity, and the effective date. The notice includes an estimate of the early retirement annuity payable to the illustrated participant for service after the conversion if the participant were to retire at age 59 (which the plan administrator believes is a typical early retirement age) and elect to begin receiving an immediate early retirement annuity. The example states that the normal retirement benefit expected to be payable at age 65 as a result of service from age 49 to age 59 is $434 per month for life beginning at age 65 and that the early retirement annuity expected to be payable as a result of service from age 49 to age 59 is $270 per month for life beginning at age 59. The example states that the monthly early retirement annuity of $270 is 38 percent less than the monthly normal retirement benefit of $434, whereas a 15 percent reduction would have applied under the plan as in effect before the amendment. The notice also includes similar information for examples that show the smallest and largest reduction that the plan administrator thinks is likely to occur in the early retirement benefit. The notice also specifies the applicable interest rate, mortality table, and salary scale used in the example to calculate the early retirement reductions.

(ii) Conclusion. The information in the notice, as described in paragraphs (i)(C) and (D) of Example 4 and paragraph (i) of this Example 5, satisfies the requirements of paragraph (a)(3) of this Q&A-11 with respect to applicable individuals who are participants. The requirements of paragraph (a)(4) of this Q&A-11 are satisfied because, as noted in paragraph (i) of this Example 5, the notice describes the early retirement subsidy under the old formula and describes the estimated early retirement pension under the new formula in terms that can be readily compared to the old formula, *i.e.*, the notice states that the monthly early retirement pension of $270 is 38 percent less than the monthly normal retirement benefit of $434, whereas a 15 percent reduction would have applied under the plan as in effect before the amendment. The requirements of paragraph (a)(4)(ii) of this Q&A-11 that the examples include sufficient information to be able to determine the approximate magnitude of the reduction would also be satisfied if the notice instead directly stated the amount of the monthly early retirement pension that would be payable at age 59 under the old formula.

Exhibit J

Solvay North America Companies' Pension Plan Summary Plan Description for Retirement Account Balance Plan

---

This is a "summary plan description" of the Solvay North America Companies' Pension Plan. A summary plan description, or "SPD" for short, is a general description of a benefit plan. Though it is detailed in some respects, it does not contain descriptions of all the provisions of the plan. Additional information on the plan and on your rights as a participant is located in the General Information publication. In the event of any inconsistency between this summary plan description or any other communication regarding the plans and the plan documents or insurance contracts themselves, the plan documents or insurance contracts control in all cases. This SPD is effective January 1, 2005.

Table of Contents

Highlights of Your Pension Plan

When you retire, your retirement income may come from a variety of sources. Your Pension Plan combined with amounts in the Solvay North America Companies' Savings Plan, personal savings, and the Social Security retirement benefits you are entitled to can provide for your retirement.

- The Pension Plan is designed to provide you with a regular income when you retire.

- Benefits are based on three factors:
    - your opening balance for employees that were hired on or before December 31, 2004. This amount will be zero for all employees hired on or after January 1, 2005.
    - your pay credits, and
    - your interest credits

- When you retire or leave the company, you may take your benefit as either an annuity or a lump sum.

- You are allowed to take your full account balance at any time after you leave the Company or retire. You can invest the benefit in any way you wish or roll the money over to another qualified plan or individual retirement account (IRA).

- Plan costs are paid entirely by the Company.

- You can receive a pension if you become totally and permanently disabled and cannot work, provided you are a vested participant.

- You may name a beneficiary to receive 100% of your account balance in the event of your death. The beneficiary may be anyone you choose (subject to spousal consent).

- Vesting means you have a right to receive a retirement benefit if you leave the Company before you retire. For employees that are active on January 1, 2008, you will become vested after three Years of Service or when you reach age 55 while still employed by the Company (whichever is earlier). For former employees that terminated prior to 2008, five Years of Service is needed in order to be vested in The Plan.

A Few Common Terms

There are some terms used in this SPD which you may not recognize or which may have special meaning. Rather than repeat them in several sections, they are explained here. You may want to read this section before reading the rest of SPD.

Company - The Solvay North America Companies' Pension Plan is sponsored by Solvay North America, LLC, and covers employees of adopting companies. When the word "Company" is used and capitalized, it refers to your company if it participates in the Pension Plan. The companies currently participating are:

- Peptisyntha, Inc.
- Solvay Advanced Polymers, L.L.C.
- Solvay Chemicals, Inc.
- Solvay Engineered Polymers
- Solvay Information Technologies, Inc.
- Solvay Management Services, Inc.
- Solvay Pharmaceuticals, Inc.
- Solvay Solexis

From time to time, other subsidiaries of Solvay North America, LLC may join this Pension Plan.

Effective Date - The Pension Plan was established on January 1, 1989, replacing the Predecessor Plans. This means January 1, 1989, is considered the effective date.

Pension Eligible Earnings – This includes the following:

- base pay,
- overtime and overtime premium pay,
- shift differentials,
- holiday premiums,
- vacation pay,
- sick pay,
- sales incentive pay and commissions (including advances), *and*
- pension-eligible bonus payments.

Predecessor Plans - The Pension Plan covers employees in several subsidiaries of Solvay North America, LLC Many of these companies had existing retirement plans on December 31,1988. These plans were merged into this Pension Plan on January 1, 1989, and are now called "Predecessor Plans." These plans are important because there are special rules regarding eligibility and minimum benefits from them. The Predecessor Plans are:

- Kali-Chemie Corporation Pension Plan

- Reid-Rowell Pension Plan

- Salsbury Laboratories Retirement Income Plan

- Salsbury Laboratories Retirement Income Plan (for Non-Bargaining Employees of Duphar Nutrition, Inc.)

- Soltex Polymer Corporation Retirement Income Plan.

If you were a participant in one of the Predecessor Plans, you may have additional choices or rights under the Pension Plan. These rights and choices are described in the applicable sections of this booklet.

In addition, if you were employed by Solvay Minerals, Inc. on May 27, 1992, you may have additional rights as described under the applicable sections of this publication.

When You Start Participating in the Plan

- You will automatically begin participating in the Pension Plan on your first day of employment.

You are eligible to participate if you:

- Are a full time employee,
- Are not a nonresident alien with no other source of income from the United States,
- Are not an expatriate employee of the Company who began employment in the United States after December 31, 1989, and who is covered by a non-governmental pension plan outside the United States sponsored by a member of the Solvay group of companies,
- Are not a member of a union covered by a collective bargaining agreement covering retirement benefits, *and*
- Are not a leased employee on the payroll of another company.

When You May Retire or take your benefit

You are eligible to take your benefit when you terminate employment from a Solvay company as a vested employee. You are eligible to take the full amount of your account balance plan any time after you leave the Company or retire.

You are also eligible to take an annuity option. The annuities will provide monthly payments for the rest of your life, and some of these options will also continue payments to your spouse or beneficiary after your death.

How Plan Benefits Are Calculated

The Retirement Account Balance Plan can be compared to a regular bank account. You begin with an opening balance of zero dollars*, and your account builds over time with the addition of "pay credits" and "interest credits."

*If you were employed with the Company as of December 31, 2004, your opening balance will be the present value of your accrued monthly annuity benefit under the current pension plan, based on your years of credited plan service and eligible pay history.

Pay Credits
At the end of each quarter, Solvay North America will add a "pay credit" to your account. The pay credit is a percentage of your pension-eligible earnings for that quarter, based on your "points" (years of credited services plus your age). See chart below.

If your points level changes during the year, you will receive the higher pay credit percentage for the entire year. For example, if your points level changes from 59 to 60 during the year, you will receive the 4% pay credit each quarter for that entire year.

The following chart shows the applicable pay credit for each points level:

POINTS (YOUR AGE + YEARS OF CREDITED SERVICE)	**CREDIT APPLIED TO ALL YOUR PENSION ELIGIBLE EARNINGS**	**ADDITIONAL CREDIT APPLIED TO YOUR PENSION ELIGIBLE EARNINGS IN EXCESS OF THE SOCIAL SECURITY WAGE BASE***
Less than 40	2.5%	1.25%
40-59	3.0%	1.50%
60-79	4.0%	2.00%
80 or more	5.0%	2.50%

** The Social Security wage base is adjusted each year and is $97,500 for 2007 and $102,000 for 2008.*

For example, let's assume you are 35 years old, have 10 years of credited plan service in 2005, and earn $50,000 a year. Your age and service total is 45 points (35 +10). This means your annualized pay credit is 3%. The Company would contribute $1,500 (3% of $50,000) on your behalf to your Retirement Account

Balance Plan account for that year. (Note: This information is provided for the example only. Contributions are calculated and made on a quarterly basis.)

Interest Credits
The Company also adds an "interest credit" to your account. The interest credit is set at the beginning of each year and is based on the previous three-month average (October through December) of the 30-year Treasury Bond rate. Interest based on this average is added to your account quarterly, based on your account balance at the beginning of the quarter.

For example, let's assume the annual interest rate is 4% (or 1% per quarter) and your account balance at the beginning of the quarter was $25,000. You'd receive an interest credit of $250 at the end of the quarter.

Effective January 1, 2008, your annual plan compensation was limited to $230,000. This amount is to be indexed in future years. If you are affected by this limit, you will be notified.

If you were working on January 1, 1989 for a Company that had a Predecessor Plan, your Benefit Service will not be less than the Benefit Service you earned under the Predecessor Plan.

If you were an employee of one of the following Companies on December 31, 1988, you earn one year of Benefit Service for each year of your continuous employment with the Company starting on the later of July 1, 1976 and your hire date:

- Kali-Duphar Laboratories, Inc.
- Kalipharma, Inc.
- Reid-Rowell, Inc.

Your Benefit Formula

If you were a member of one of the Predecessor Plans, your Pension Plan benefit will never be less than the benefit you had earned under the Predecessor Plan as of December 31,1988.

If you choose an annuity payment, your annual retirement benefit is converted to monthly payments and paid to you for life. (These monthly payments may be different from one-twelfth of the yearly benefit, depending on the form of payment - see "How Benefits Are Paid" for an explanation of the forms of payment from which you may choose.)

If you previously worked for Laporte Industries, Squibb, the Celanese Corporation or Miles Laboratories, special rules may apply to the calculation of your benefit. These rules are described in Appendix C.

If you were a participant in the Tenneco, Inc. Retirement Plan or the Tenneco Minerals Company Retirement Plan on May 26, 1992, special rules may apply to the calculation of your benefit. These rules are described in Appendix E.

When Benefits Are Paid

- You become eligible to receive the Retirement Account Balance Plan after you leave the Company or retire.

If you continue to work past age 70 ½ , you must begin receiving benefit payments even though you are still working. See "Mandatory Distribution of Benefits" section.

Vesting in Pension Benefits

Vesting as an Active Employee

"Vesting" is a term that refers to your right to benefits from the Pension Plan.

There is no partial vesting. You are 0% vested in your Pension Plan benefit until:

- You complete three years of Vesting Service, or
- You reach age 55, are a participant in the Pension Plan and are still employed by the Company.

You are then 100% vested in your Pension Plan benefit.

See "When Benefits Are Paid" for information on when your vested benefit will be paid to you.

Vesting Service is credited the same way as Benefit Service.

Breaks-in-Service

If you leave the Company after you are 100% vested, you are still entitled to a pension benefit, regardless of your number of break-in-service years. If you leave the Company before becoming vested, you will forfeit your right to Pension Plan benefits, unless you return to service with the Company before you have five consecutive break-in-service years.

A break-in-service year begins on the date you leave the Company and ends 12 months later. If you are on an approved leave of absence, a break-in-service year does not begin until one year after the start of your leave, unless you terminate your employment with the Company.

Returning to Service

If you are vested when you leave the Company:

When you return:

- You will rejoin the Pension Plan on your rehire date.
- Any Benefit Service you earn after your rehire date will be added to your prior Benefit Service unless you received a lump sum cash-out of all or part of your benefit.

If you received a lump sum distribution of your entire benefit, your Benefit Service before your break-in-service years will not be added to the Benefit Service you earn after you return unless you repay the amount of your lump sum distribution plus interest.

If you were a member of the Kali-Chemie Corporation Pension Plan and received a lump sum distribution of part of your benefit, your Benefit Service before your break-in-service years will be added to the Benefit Service you earn after you return only if you repay the amount of your lump sum distribution plus interest.

If you are not vested when you leave the Company:

- If you return before you have five consecutive break-in-service years, any years of Vesting and Benefit Service you earn after your rehire date will be added to the years of Vesting and Benefit Service you had before your break-in- service years.
- If you were a participant in the Pension Plan before your break-in-service years, you will rejoin the Pension Plan on your rehire date.
- If you were not a participant in the Pension Plan before your break-in-service years, any Eligibility Service you earn after your rehire will be added to the Eligibility Service you had before your break-in-service years to determine when you can join the Pension Plan.

If you return *after* you have five or more consecutive break-in-service years, you will be treated as a new employee for purposes of the Pension Plan.

For example: Scott terminates employment on January 15, 1993. He is not 100% vested in his Pension Plan benefit so he forfeits future benefits from the Pension Plan. On January 15, 1994, Scott has his first break-in-service year. On January 15, 1998, he has accumulated five break-in-service years, and cannot regain his forfeited Pension Plan benefit, even if he returns to the Company.

Maternity and Paternity Leaves

If you are absent for reasons of maternity or paternity, and later leave the Company, your break-in-service is determined in a different manner.

Absence for reasons of maternity or paternity includes the following situations:

- You are pregnant,
- You or your spouse gives birth,
- You adopt a child, *or*
- You need to provide care for a child after its birth or adoption.

If you return to work within two years of leaving for reasons of maternity or paternity, you will receive Vesting Service for the first year of your absence. You will not receive Vesting Service for the second year of absence - but that year will not count as a break-in-service year. If you do not return to work for a Solvay North America Company within two years, your break-in-service years will start at the end of those two years.

How Benefits Are Paid

Before your benefits start, you should choose the option that best meets your needs. You should note that under several of these options, the monthly payments would be less than one-twelfth of the annual retirement benefit described earlier; this is because those options may involve payments for longer periods. Once payments begin, you may not change the form of payment. Following are the forms of payment available from the Pension Plan.

Straight Life Annuity: A straight life annuity provides you with equal monthly payments during your lifetime. This form of payment does not provide payments to your spouse or anyone else after your death.

Ten Year Certain and Life Annuity: With this form, you receive reduced monthly payments for life. If you die after starting payments but before receiving 120 monthly payments, your beneficiary will receive the balance of the 120 payments.

Fifteen Year Certain and Life Annuity: With this form, you receive reduced monthly payments for life. If you die after starting payments but before receiving 180 monthly payments, your beneficiary will receive the balance of the 180 payments.

50% Joint and Survivor Annuity: This form of payment provides you with reduced monthly payments for life. After your death, your beneficiary will receive monthly payments for life equal to 50% of the amount you were receiving.

75% Joint and Survivor Annuity: This form of payment provides you with reduced monthly payments for life. After your death, your beneficiary will receive monthly payments for life equal to 75% of the amount you were receiving.

100% Joint and Survivor Annuity: This form of payment provides you with reduced monthly payments for life. After your death, your beneficiary will receive monthly payments for life equal to 100% of the amount you were receiving.

Single Lump Sum: You may elect to receive a single lump sum distribution. After this payment is made, no future benefits will be paid to you or your beneficiary from the Pension Plan.

Predecessor Plan Benefits: If you earned a benefit in a Predecessor Plan maintained before January 1,1989, you may take the value of that benefit in any form of payment offered under that Predecessor Plan which did not require special approval. These other options only apply to the benefit you had earned under your Predecessor Plan through December 31, 1988. You must choose one of the regular options described above for the rest of your benefit. Additional options for Predecessor Plan benefits are described in Appendix B.

Mandatory Distribution of Benefits: Below are the circumstances under which you must receive benefits from the Plan:

If ...
You no longer work for a Solvay North America Company, and the present value of your benefit is $1,000 or less..
Then ...
You must take a lump sum distribution of the entire present value of your benefit.

If ...
You are age 70 ½
Then ...

You must begin receiving benefit payments from the Pension Plan on the April 1 following the year you turn age 70 ½, regardless of whether or not you are actively at work for the Company.

Other Benefits

Disability Benefits

If your employment terminates due to total and permanent disability after you are vested, you will be eligible for a disability pension. You will continue to earn Years of Benefit Service during your disability. You stop earning service when you are no longer disabled, you turn age 65, or you start receiving benefit payments from the Pension Plan, whichever occurs first.

Total and Permanent Disability

You will be considered totally and permanently disabled if the Social Security Administration determines that you meet the requirements for disability benefits. This definition states that a total and permanent disability must:

- Be a medically determinable physical or mental disability,
- Be expected to last more than 12 months or result in death, and
- Prevent you from engaging in substantial, gainful activities.

If, for some reason, you are not covered by the Social Security Act, the Plan Administrator will determine if you meet the definition of total and permanent disability.

Recovery from Disability

If you recover from your disability before receiving retirement benefits or before you reach age 65, you must notify the Company within 60 days after your recovery. If you fail to do so, you will not be credited with any Years of Benefit Service you earned while disabled.

Pre-Retirement Death Benefits

In the event of your death, your beneficiary will be entitled to receive 100% of your account balance. The beneficiary may be anyone you choose, with spousal consent. This death benefit will be payable to your spouse if you die before taking your retirement account balance and you were vested in the Retirement Account Balance Plan. .

Other Plan Features

Plan Costs

All contributions to the Pension Plan are made by the Companies participating in the Pension Plan. You are not required or allowed to make any contributions.

Transferred Employees

If you are participating in the Pension Plan and you transfer from one participating Company to another, you will continue participating in the Pension Plan. Your benefit will be based on your service and compensation received from all participating companies.

If you transfer to a participating Company from a Solvay North America company not participating in this Pension Plan, your eligibility and vesting service will be based on your period of employment with both companies. Your benefit will be based on your service and compensation with the participating Company.

If you transfer from a participating Company to a Solvay North America company not participating in this Plan, your benefit under this Plan will be frozen at your date of transfer. You will get vesting service for your employment with the nonparticipating company, but you cannot start any benefit payments until you are age 55 and have terminated employment with the Solvay North America companies.

If you transfer out of a collective bargaining unit, your union service is counted for eligibility and vesting service but not for benefit service.

Employee Contributions

If you had employee contributions that were held in a Predecessor Plan, they were transferred into this Pension Plan along with the other assets of that Predecessor Plan.

If your contributions were transferred to this Pension Plan, you will have the following options upon termination of employment:

- Leave the value of your contributions with the Pension Plan and receive a full vested accrued benefit from the Pension Plan.

- Withdraw the value of your contributions from the Pension Plan and receive a reduced vested accrued benefit from the Pension Plan.

Accumulation of employee contributions will be calculated according to Internal Revenue Service regulations.

Predecessor Plans that held employee contributions are listed in Appendix D.

Income Tax

Your retirement benefit is subject to federal income tax, and it may be subject to state income tax. Since tax laws are complex, you should consult your personal tax advisor for information on the tax status of your pension benefit.

After December 31, 1992, federal law requires that lump sum payments made payable directly to you must have 20% of the taxable portion of your payment withheld for taxes. However, if you elect to have the taxable portion of your payment directly rolled over into an eligible retirement plan or IRA and made payable to that plan or financial institution, you will not have any taxes withheld from this amount.

Administrative Information

Official Name and Type of Plan

The official name of the Pension Plan is the "Solvay North America Companies' Pension Plan." Technically, it is known as a "defined benefit" plan.

Plan Sponsor

The Plan Sponsor is Solvay North America, LLC, 3333 Richmond Avenue, Houston, Texas, 77098.

Plan Administrator

The Plan Administrator is appointed by the Board of Solvay North America, LLC
You may reach the Plan Administrator at:

Plan Administrator
Solvay North America Companies' Pension Plan
Solvay North America, LLC
3333 Richmond Avenue
Houston, Texas 77098
(713) 525-6000

Trust Fund

Funds in the Pension Plan are held in a Trust Fund administered by a Trustee.

This Trust Fund is set aside for the exclusive benefit of Pension Plan members and their beneficiaries. The Trustee is:

Frank Russell Trust Company
909 A Street
Tacoma, WA 98402

Service of Legal Process

The agent for service of legal process is:
General Counsel
Solvay North America, LLC
3333 Richmond Avenue
Houston, Texas 77098

Service of legal process may also be made upon the Plan Trustee and the Plan Administrator.

Plan Year

The Plan Year is a calendar year beginning January 1 and ending December 31 of each year.

Plan Numbers

The Plan is identified by these numbers:
Employer Identification Number: 74-1806077
Plan Number: 001

Plan Document

This is a Summary Plan Description only. It does not contain complete information on the Pension Plan. You may find complete information in the Pension Plan Document and Trust Agreement which are available from the Administrative Committee.

In the event there is a conflict between this SPD and the Plan Document or Trust Agreement, the Plan Document or Trust Agreement will govern.

Future of the Plan

Solvay North America, LLC intends to continue this Pension Plan, but reserves the right to amend, change or terminate it at any time. The authority to make any such changes to the Pension Plan rests with the Board of Directors of the Company. If the Pension Plan is terminated, you will have a vested right to your entire accrued benefit on that date.

The Plan Is Not a Contract of Employment

The Pension Plan is not a contract of employment, and no language in this SPD or any other Plan document should be construed to be a contract of employment.

Protection of Benefits

It is important that you understand that although you may have full ownership rights to your benefit, this money is not available to you until retirement. With the exception of Qualified Domestic Relations Orders, your benefits under this Pension Plan cannot be assigned, sold, transferred, or encumbered, nor can they be subject to debts. In addition, benefits under this Pension Plan cannot be subject to attachment, garnishment or any other legal process.

The Pension Plan is insured by the Pension Benefit Guaranty Corporation (PBGC), a corporation owned and operated by the federal government. The Pension Plan pays the cost of this insurance coverage. PBGC insurance is intended to protect employees in case of plan termination before benefits are fully funded. In general, the PBGC guarantees most vested normal and early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under covered plans; the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date the Pension Plan terminates. However, if Pension Plan benefits have been increased less than five years before the plan is terminated, the whole amount of the Pension Plan's vested benefits or the benefit increase will not be guaranteed. In addition, the amount of monthly benefit that the PBGC guarantees has a maximum, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, contact Solvay North America Human Resources or the PBGC. You can write or call the PBGC at:

Office of Communications
Pension Benefit Guaranty Corporation
1200 K Street NW
Washington, D.C. 20006
(202) 326-4040

Qualified Domestic Relations Orders

Ordinarily, your benefits from the Pension Plan are yours to keep once they are vested. They cannot be attached by your creditors.

The law provides one instance where your benefits may be assigned to another party: a Qualified Domestic Relations Order (QDRO). A QDRO is usually issued by a state court of law in connection with divorce or dependent care proceedings.

You should contact the Plan Administrator immediately if you become involved in such proceedings. The Plan Administrator will help you make sure that the results of those proceedings meet the QDRO rules and the rules of this Pension Plan.

Denial or Loss of Benefits

There are certain situations in which your benefits from the Pension Plan could be denied, reduced or lost:

- You do not receive credit for Benefit Service during unapproved leaves of absence.

- If you leave the Company before you are vested and do not return you will not be eligible to receive Pension Plan benefits.

- There is a maximum annual benefit that may be paid under the Pension Plan. This limit only affects a few of the highest-paid employees, and you'll be notified if you're affected.

- Pension Plan benefits are for you personally. Your benefits generally may not be assigned, seized, transferred or claimed by creditors.
- A Qualified Domestic Relations Order (QDRO) could require that a portion of your benefits go to your former spouse or children. You would have no right to those funds in that event.

Claim Review Procedures

Claims for benefits should be made using the proper form. You may obtain this form from Solvay North America Human Resources..

In most cases, you will receive a written response to a denied claim within 60 days of submitting your claim. If there are special circumstances, the Plan Administrator has up to 180 days to respond.

A response will include:

- Specific reasons for a denial or reduction in benefits, as well as specific plan rules upon which the denial is based,

- A list of further information which you can submit to help support your claim (you will also be told why this information is needed), and

- An explanation of how you may appeal the denial of your claim.

If you wish to have the Plan Administrator reconsider a claim or check a benefit amount for accuracy, you may apply for a hearing within 60 days of receiving the notice of denial. Your application must be in writing. Before the hearing, you may read the legal plan documents and send written comments supporting your position. The hearing will be conducted by the Administrative Committee. The Committee will notify you of its final decision within 120 days after receiving your request for a hearing.

Top-Heavy Requirements

A Top-Heavy plan is one that does not meet minimum requirements for the division of benefits between key employees and other participants. It is very unlikely that this Pension Plan would ever become Top-Heavy. However, if that should happen, special minimum vesting and benefit provisions would apply. You will be notified in that event.

Your ERISA Rights

You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries.

No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights.

For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights,

you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

Appendix A

Payment Options Under The Predecessor Plans

In general, your benefit from the Pension Plan will be paid as described under "How Benefits Are Paid." However, some of the Predecessor Plans had other payment options. The types of options available are described below. The options available from specific plans are listed in the next section called "Specific Predecessor Plan Options."

If you had earned a benefit under a Predecessor Plan, you can still choose one of your Predecessor Plan options for that part of your total benefit from the Pension Plan. These options are not available, however, for any benefit you have earned under the Pension Plan since January 1, 1989.

Types of Predecessor Plan Options

- **Five Year Certain and Life Annuity:** With this form, you receive reduced monthly payments for life. If you die after starting payments but before receiving 60 monthly payments, your beneficiary will receive the balance of the payments.

- **66-2/3% Joint and Survivor Annuity:** This form of payment provides you with reduced monthly payments for life. After your death, your beneficiary will receive monthly payments for life equal to two-thirds of the amount you were receiving.

- **75% Joint and Survivor Annuity:** This form of payment provides you with reduced monthly payments for life. After your death, your beneficiary will receive monthly payments for life equal to 75% of the amount you were receiving.

- **Single Lump Sum:** With this form you receive a single payment equal to the present value of your Predecessor Plan benefit. When considering this option, you should keep in mind that most of the favorable tax rules for lump sum distributions are not available when only part of a benefit is paid as a lump sum.

- **Social Security Leveling Annuity:** Under this form of payment, the Predecessor Plan pays a greater amount before age 65 (or age 62) than it does after you reach that age. It keeps your total retirement income from the Predecessor Plan and Social Security roughly level before and after age 65 (or age 62). If you die after starting payments but before receiving 60 monthly payments, your beneficiary will receive the balance of the 60 payments.

Annuity purchase

The Administrative Committee will purchase an annuity for you from an insurance company. An annuity pays a level, periodic benefit for your lifetime. It may also provide a death benefit to your beneficiary. The insurance company charges a commission on this purchase.

The kinds of annuities available are:

- Single life annuity: This option provides level, monthly payments for your lifetime. When you die, all benefits cease.

- Joint and survivor annuity: With this option, you receive level, monthly payments for your lifetime. If you should die before your beneficiary, your beneficiary receives an income for the rest of his or her life. If you are married, you must elect at least a 50% joint and survivor annuity for the value of your pre-1989 account balance unless your spouse agrees to another form of payment . See the section "How Benefits Are Paid."

Single life annuity with guaranty periods: This option offers level payments for your lifetime the same way a single life annuity does. However, if you should die within a specified period, your beneficiary will receive any funds that were not paid out to you.

Specific Predecessor Plan Options

These are the options available under various Predecessor Plans that are not generally available under this Pension Plan, They are not described completely. You may get more information on these options by contacting the Solvay North America Benefits Service Center.

Group Pension Plan for Employees of Hedwin Corporation

- Five year certain and life annuity,

Kali-Chemie Corporation Pension Plan

- Single lump sum.

- Annuity purchase,

Reid-Rowell Pension Plan

- Five year certain and life annuity,

Salsbury Laboratories Retirement Income Plan

- Five year certain and life annuity.

- 66 2/3% joint and survivor annuity.

Salsbury Laboratories Retirement Income Plan
(For Non-Bargaining Employees of Duphar Nutrition, Inc.)

- Five year certain and life annuity.
- 66 2/3% joint and survivor annuity. 27

Soltex Polymer Retirement Income Plan

- Five year certain and life annuity.
- Social Security leveling annuity,

Tenneco Minerals Company Retirement Plan

- 75% joint and survivor annuity

Appendix B

Benefits For Former Laporte, Squibb, Celanese And Miles Employees

If you were an employee of Laporte Industries, the Squibb Corporation or the Celanese Corporation and you transferred employment to Soltex Polymer Corporation or Solvay Veterinary, Inc., your Benefit Service under this Pension Plan includes your period of employment with your earlier employer.

If you are a former Laporte or Celanese employee, your benefit from this Pension Plan will be reduced by the amount of the benefit you had earned under the Laporte or Celanese Retirement Plans through the date of your transfer. If you are a former Celanese employee and you elected a refund of your employee contributions from the Celanese Plan, or you did not contribute to that Plan, your Benefit Service will include only your employment with the Solvay North America Company after January 1,1969. Your benefit will be reduced by the amount of any benefit you had earned under the Celanese Retirement Plan between January 1, 1969 and January 1,1974.

Appendix C

Predecessor Plans With Employee Contributions

These are the Predecessor Plans that held employee contributions:

- Salsbury Laboratories Retirement Income Plan (for Non-Bargaining Employees of Duphar Nutrition, Inc.): Held employee contributions transferred from Thompson-Hayward.

- Soltex Polymer Corporation Retirement Plan: Held employee contributions transferred from the Hedwin Pension Plan for some Solvay Technologies employees,

- Solvay Industrial Films, Inc.: Held employee contributions transferred from the Hedwin Pension Plan for some Solvay Industrial Films employees.

Appendix D

Benefits For Former Tenneco Minerals Employees

If you were a participant in the Tenneco, Inc. Retirement Plan and were employed by Solvay Minerals, Inc. on May 27, 1992, your Benefit Service under the Pension Plan includes periods for which service was credited for purposes of benefit accrual under the Tenneco, Inc. Retirement Plan. In this case, your benefit from this Pension Plan will be reduced by the amount of benefit you had earned under the Tenneco, Inc. Retirement Plan.

If you were a participant in the Tenneco Minerals Company Retirement Plan and were employed by Solvay Minerals, Inc. on May 27, 1992, your Benefit Service under the Pension Plan includes periods for which service was credited for purposes of benefit accrual under the Tenneco Minerals Company Retirement Plan. Your benefit from this Pension Plan will not be less than the benefit you had earned under the Tenneco Minerals Company Retirement Plan as of June 30, 1992.