

Copy of Administration of Tax Certificates (USA)

Objective and Scope

Objective of this Procedure

This document describes the process of Tax certificates administration for customers of Solvay located in the USA as well as roles and responsibilities of each actor in this process.

Scope

Tax certificates administration process covers all USA customers of below legal entities:

- Solvay USA LLC - CC7424 (formerly Solvay USA Inc. - changed in 01/11/2023)
- Cytec Industries Inc - CC 7008
- Solvay Specialty Polymers USA, LLC - CC 5782
- Solvay Fluorides, LLC - CC 3384
- Solvay Chemicals, Inc - CC 4290
- Cytec Engineered Materials Inc - CC 7180
- CEM Defense Materials LLC - CC 7188
- CYTEC INDUSTRIES INC - CC 7008
- ESSENTIAL CHEMICALS USA LLC - CC 6420
- ESSENTIAL ELEMENTS USA LLC - CC 6421

Systems used for this process: SAP PF1; SAP PI1; SAP WP1; Salesforce, Baan

Process description

1. Reports, collection and verification

1.1. Reports (3 - Solvay USA, Cytec Industries Inc, and PF1) are provided to Tax Data Administrator (SBS Riga) by Tax Department (US, Princeton) latest by end of day M+5 (5th working day of the month). Reports will be e-mailed to the Tax Data Administrator designated in Riga who will be working on the exemption certificate collection process.

Note

From 1 November 2023, Novocare will take over the validation and collection of certificates for Novocare.

1.

1.2. Based on the information in reports Tax Data Administrator contacts customers according to the prioritization below.

Prioritization (listed below from most important to least important):

Priority 1: Previous months uncollected tax certificates (in bottom of report)

Priority 2: Current month uncollected tax certificates;

Priority 3: Following 2 month uncollected tax certificates;

N.B.: Tax Data Administrator should work in a proactive manner and in current month to collect most of the next months' tax certificates to ensure they do not expire before customer has been contacted and certificate received.

1.3. Customers send Tax certificates to dedicated mailbox: tax.certificates@solvay.com;

1.4. Verification by Tax Data Administrator: Tax Data Administrator must verify every received tax certificate before sending to Tax Department.

1.4.1. Following items should be checked on certificate:

1.4.1.1. Certificate is issued for the requested state. If a customer sends multijurisdictional form - must check if it covers the requested state.

1.4.1.2. Customer's name on the certificate is the same as on report. If not, Tax Data Administrator must confirm with customer the correct name either by asking to update it to the one on report or if it has to be changed in Solvay ERP systems.

1.4.1.3. Correct Solvay's legal entity name and address is reflected on certificate (if field available; might also accept with name "Solvay"/"Cytec").

1.4.1.4. Certificate is signed and dated (preferably the year it is collected).

1.4.1.5. All applicable boxes are checked on certificate (blanket certificate/purpose of tax exemption).

1.4.1.6. Certificate cannot be accepted if it is issued for tax exemption for utilities or equipment.

1.4.2. Exceptions:

1.4.2.1. In cases customer advises they are not doing business with Cytec/Solvay or are not tax exempt, this can be sent to Tax Department instead of tax exemption certificate.

1.4.2.2. If customer requests more information about the products sold to particular state/location, and no information is found in systems, Tax Data Administrator must seek assistance with Customer Service. If Customer Service confirms this is not anymore an active ship-to location, this can be forwarded to the Tax Department instead of tax certificate; however, direct confirmation from customer is preferred due to hierarchy set-up in the system, unless there is only one ship-to location listed in "Active Ship-to's" report.

1.5. If certificate is not correct and do not comply with state requirements, Tax Administrator must send certificate back to customer and request to correct the incorrect fields. If certificate is considered valid by Tax Data Administrator, it must be forwarded to following mailboxes:

2. For Companies 3384, 4290, 6401, 6420 and 6421 - taxnewcust.na-us-eco@solvay.com

3. For Companies 7424, 6402 - taxnewcust.na-us@syensqo.com

4. For Companies 7008, 7180 and 7188 - na-us.cytectaxdept@solvay.com

5. For company 5782- paul.raghunandan@syensqo.com

1. 1.6. Verification by Tax Department: After Tax Department has received the tax certificate from Tax Data Administrator, they have to respond within 1 week from receipt if certificate is considered valid and will be put in the system, or if any issues, return to Administrator with explanation of issue why certificate not considered valid;
- 1.7. Any received and verified tax certificates (includes certificates received from CSR, Sales) are marked off the list provided by Tax Data Administrator upon confirmation of validity by the tax department.

2. Contact information

Contact information can be found in the following systems:

- Companies 3384, 4290, 5782, 6401 in SAP PF1 and Salesforce (mostly purchasing contacts)
- Companies 6402, 6420, 6421 7424 and Cytec in SAP WP1 (mostly purchasing contacts)
- Customer Service also may be contacted to help with customer contacts if needed

If there are no contacts listed Administrator is encouraged to look-up customer in Google and call the company phone number provided to find the right contact

3. Escalation

Tax Data Administrator contacts customer 4 times to acquire Tax certificate, via email (contact information available on google sheet file, websites, SAP, CRM systems);

The escalation process occurs if after 3 contact attempts Tax Data Administrator does not receive a Tax certificate from a customer or doesn't receive any response at all.

The escalation commonly goes to the appropriate Customer Service Representative with Cc to the CSR Leader / Manager when possible two weeks prior to expiration date.

4. New customers

4.1. For new customers tax certificate must be requested by Customer Service when taking initial order along with other mandatory documents **before** customer master data in ERP system is created and **before** order is being shipped to customers.

4.2. In exceptional cases only 30 days temporary tax exemption can be applied. In this case Customer Service Representative is responsible for obtaining tax certificate from a customer before 30 days temporary tax exemption expires.

5. Automation

Before organizing the received reports, one must be sure that the archive containing the Contacts extraction is up to date. This is an Excel macro that extracts all the contacts from PF1 20 and WP1 systems and should be updated at least once every 6 months.

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(The Contact macro instructions on the left and the final list of the same macro on the right)

6. After making sure the Contact listing is up to date, a Power Query for Excel is used to combine and organize the reports received. Only click on the Refresh button on the All Customers query to update the whole archive. This also automatically combine the contact macro to provide e-mail addresses for the customer for each company required

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(Power Query for Excel used to organize the reports)

7.

SOLSTICE AERO - Tax certificate collection

6.1. Due to migration to SAP, Solvay Composite Materials (with its legal entity: Cytec Engineered Materials, Inc.) is updating its files of resale/exemption certificates.

6.2. In a previously prepared 'W2 Masterfile' all the Aero customers from which the certificates are required (approx. 750) are being listed.

6.3 With the help of Power Query tool the requests for certificates, divided in 3 similar amount batches, requests are being sent.

6.4 The process of collection is similar to one described above.

6.5 When collected the certificate is saved in pdf form and posted in Google Drive folder, indicating the state for which it is issued, sold to number and Co Code.

6.6 The posted certificate is being evaluated by tax authorities and uploaded in Vertex.

6.7 During the process of collection the status of the request is being changed in 'W2 Masterfile' by tax data administrator and in the end- by person who uploads the document in Vertex, changing the status - 04-Received & Posted Cert to 05-Loaded Cert to Vertex.

Process Flow

Process Flow: SOLVAY

