

## ARKEMA GROUP EMPLOYEE SHARE OFFERING 2024

# COUNTRY SUPPLEMENT FOR IRELAND



You have been invited to invest in shares of Arkema under the umbrella of the Arkema Group employee share offering 2024. You will find below a brief summary of the terms of the offering, the local offering information and principal tax consequences relating to the offering.

## → SUMMARY OF THE OFFERING

To be read in conjunction with the employee brochure and other materials distributed to you.

### ■ A share capital increase reserved for employees

Arkema shares will be offered to all eligible employees of participating Arkema Group companies, pursuant to Arkema's capital increase reserved to such employees. The Arkema Group Employee Share Offering is being offered as a "Classic" plan.

If the total number of requested shares exceeds the offered shares (1 350 000 shares), the number of shares requested may be reduced. In this event, each participant will be notified personally.

### ■ Eligibility

All current employees of Arkema and the employees of its participating direct and indirect majority-owned subsidiaries, in each case subject to a minimum employment condition of three months measured at the close of the subscription period. In addition, such employee must be employed on the day he or she returns the subscription form during the subscription period.

### ■ Subscription period

The subscription period starts on September 16, 2024 and lasts until September 30, 2024.

If you decide to participate to the 2024 Offer, you need to log on the website, [www.ake2024.arkema.com](http://www.ake2024.arkema.com), between 16 September 2024 and 30 September 2024, and click on the "Subscribe" button once you have completed your subscription request. You will be asked to enter the user ID and password that have already been sent to you by email on your professional email address.

If you have no professional address or if you have not received these ID and password, you can participate to the 2024 Offer by returning the paper subscription form at the latest by September 30, 2024 to: Karen Kane - [karen.kane@bostik.com](mailto:karen.kane@bostik.com).

### ■ Subscription price

The subscription price for the Arkema shares will be at a discount of 25% from the "reference price".

The reference price is based on the average of the opening price of the Arkema share on the 20 trading days preceding September 11, 2024.

## ■ Your investment is capped

The maximum subscription amount you can invest will be equal to the lesser of (i) the subscription price of 750 Arkema shares and (ii) 25% of your gross annual compensation for 2023 or 25% of your estimated gross annual compensation for 2024.

The minimum amount of investment will be € 15.

## ■ Method of payment

**Immediate Payment:** by

Bank Transfer to:

Bostik Industries

BIC: BNPAIE2DXXX

IBAN: IE35BNPA99020647330176

## ■ Custody of your shares

Your shares will be subscribed and held on your behalf by a collective shareholding vehicle, known as a Fonds Commun de Placement d'Entreprise, or an FCPE, which is commonly used in France for the conservation of shares held by employee-investors. Your investment will be held via a "temporary" FCPE, the "Arkema Actionnariat International Relais 2024", which will be merged shortly after the capital increase into the "Arkema Actionnariat International" FCPE. You will be issued units in the FCPE corresponding to the shares you will have subscribed.

## ■ Your investment will be subject to a five-year lock-up period

In consideration of the benefits granted under this offering, your investment is subject to a lock-up period of five years (ending on October 30, 2029), during which you will not be able to redeem your investment unless you qualify for an early exit (see "Early exit events" below).

## ■ Early exit events

Redemption of your investment during the above-mentioned lock-up period may be requested by your personal legal representatives in the event of your death.

For further information, please contact your human resources office.

## ■ Dividends

Any dividends paid with respect to shares, while such shares remain in the FCPE, will be reinvested by the FCPE in additional Arkema shares. The dividends will not be paid out directly to employees. These reinvested dividends will result in the issuance of additional units to employees.

## ■ Voting rights

As long as the shares are held by the FCPE, the voting rights pertaining to such shares will be exercised by the elected members representing the unitholders of the supervisory board of the FCPE on behalf of the employees.

## ■ Redemption

Your investment will become available upon the expiry of the lock-up period of five years, or earlier, if you qualify for an early exit. Prior to the end of the lock-up period, you will be informed of the availability of your investment. At that time, you may request the redemption of your investment or you may continue to hold your shares through the FCPE.

## → FREE SHARES

### ■ Grant of Free Shares

It is expected that the Board of Arkema will grant to all participants in the Classic Offer the right to receive free shares, subject to the conditions contained in the Free Share Plan Rules. It is expected that this grant will be made on November 5, 2024 (the “Grant Date”). A summary of the terms of the Free Share Plan Rules is provided below. You can access to the Free Share Plan rules (in French or in English) upon request, from your HR.

The Arkema employers participating in the plan are referred to as the “Participating Companies”.

### ■ Eligibility

In order to be eligible to receive a grant of shares under the Free Share Plan, an employee must satisfy the following conditions:

- such employee must have submitted a valid subscription form to participate in the Classic Offer and complied in full with all of the terms and conditions of such offer;

and

- such person must have been employed by a company of the Arkema Group on the Grant Date, unless one of the events listed under section «Exception to the Continued Employment Condition» below occurs between the date of subscription and the Grant Date).

In order to receive the free shares, the employee must satisfy the Continued Employment Condition described below.

### ■ Number of Free Shares and Limit of the Grant of Free Shares

All eligible employees that satisfy the above conditions of the Free Share Plan will be granted a right to receive free shares from Arkema. The eligible employee will be granted one matching share for every four whole shares he or she subscribes to, up to a maximum of 25 matching shares.

For the avoidance of doubt, subscribed shares shall be based on the amount actually delivered, taking into account any reductions that may be made due to individual or total orders in Arkema Offer exceeding the permitted or available amounts.

### ■ Information on the Grant of Free Shares

Within a few weeks following the grant by the Board, each eligible employee will receive a letter or statement confirming that he or she is an eligible employee and setting forth the number of free shares granted to him or her.

### ■ Vesting and Delivery of Free Shares

The free shares will be delivered to all eligible employees four years after the grant, on or about November 6, 2028 (the “Date of Delivery”), provided that the conditions of the Free Share Plan rules (in particular the Continued Employment Condition) have been satisfied during that period. The period between the Date of Grant and the Date of Delivery is referred to as the “Vesting Period”. Prior to the Date of Delivery, eligible employees will not own the free shares, and consequently will have no right to any dividends paid in respect of the free shares (or for which the record date is prior to such date) and will have no right to vote at shareholders’ meetings.

### ■ Non-transferability of the Rights of Free Shares

The rights resulting from the grant of free shares are personal to each eligible employee. An eligible employee cannot sell, transfer or pledge his or her right to receive the free shares under the Free Shares Plan. The only exception to this restriction is for transfers that occur through succession to legal beneficiaries, in the event of the death of the eligible employee.

## ■ Continued Employment Condition

In order to receive the free shares, the eligible employee must have remained an employee of the Arkema Group (Arkema and its majority-owned subsidiaries) for the full duration of the vesting period. Such employment must be continuous and without interruption.

For sake of clarity, if at any time during the Vesting Period, an eligible employee ceases to be an Employee of the Arkema Group, such employee will lose all rights to the free shares. These rights will not be restored even in the event such person subsequently becomes re employed within the Arkema Group.

## ■ Exception to the Continued Employment Condition

An eligible employee will be deemed to satisfy the Continued Employment Condition if, at any time during the relevant Vesting Period, the eligible employee ceases to be employed for any of the following reasons:

### (i) Death

In the event of the eligible employee's death, the legal heir or heirs of the deceased beneficiary may request delivery of the free shares within a period of six months following the date of death. In this case, any free shares granted shall be delivered to such heir or heirs promptly following such request and the Vesting Period will not apply.

In the absence of such a request, the free shares granted to the deceased eligible employee shall be delivered to such heir or heirs on the Date of Delivery.

### (ii) Disability

In the event of a disability corresponding to a classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code (or its equivalent in foreign law, the free shares granted shall be delivered to the eligible employee at the Date of Delivery.

### (iii) Retirement

In case of retirement at the age provided for retirement under relevant local law.

In such case, the free shares granted shall be delivered to the eligible employee at the Date of Delivery. This exception will only be allowed where legally permissible.

### (iv) Redundancy or termination without cause

In case of redundancy or termination without cause, the free shares granted shall be delivered to the eligible employee at the Date of Delivery. For the avoidance of doubt, a termination for cause related to the employee's conduct or performance will result in a loss of the right to the free shares.

### (v) Loss of Participating Company status or divestiture of business or operating unit

In the event of a change in control of a Participating Company or in case of a divestiture of business or operating unit (including outsourcing), an eligible employee of the relevant company, business or operating unit shall not lose his or her right to the free shares as a result of such change or divestiture. The free shares granted shall be delivered to the eligible at the Date of Delivery.

## ■ Ownership of the Free Shares and Selling Restrictions

At the Date of Delivery, any free shares delivered will become the full property of the eligible employee. The eligible employee will, as of such date, benefit from all the rights of ownership relating to these free shares, notably the right to vote at meetings of the Shareholders of Arkema or to be represented, and the right to receive any dividends.

Following the receipt of the free shares the recipient will be free to sell them, without selling restrictions other than insider trading restrictions. The free shares will be delivered as from the Date of Delivery in one or several shareholding funds (FCPE) and by subscribing to such Plan the employee is deemed to accept such method of delivery.

## ■ Changes to the Free Share Plan

In the event of a restructuring of Arkema that results in a split of the company or a transfer of all or substantially all of its assets to another entity prior to the Date of Delivery, the Free Share Plan may be modified by the Board of Arkema or by law in order to substitute shares in the surviving or successor entities for the Arkema Shares originally provided for under the Free Share Plan.

## TAX INFORMATION FOR EMPLOYEES

# RESIDENT IN IRELAND

The following summary sets forth general principles that are expected to apply to employees who are resident in Ireland for the purposes of the tax laws of Ireland and of the tax treaty concluded between France for the avoidance of double taxation dated 1968 (the “Treaty”) but may not apply in all specific cases. This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive. For definitive advice, employees should consult their own tax advisors regarding the tax consequences of participating in the Arkema Employee Offering.

The tax consequences listed below are described in accordance with Irish tax law and tax practices, all of which are applicable at the time of the offering. These laws and practices may change over time.

### A. Taxation in France

You will not be subject to taxation in France upon subscription. Provided your investment is held through the FCPE and such FCPE reinvests any dividends that may be distributed by Arkema, you will not be subject to tax or social charges in France. Any gains realized upon your investment are not subject to taxation or social charges in France.

### B. Taxation in Ireland

#### ■ Upon subscription

On subscription for the shares, it is expected that a liability to income tax rate will arise at your marginal rate of 20% or 40% on the difference between the market value of the shares at the date of subscription and the subscription price (which is calculated by reference to an average trading price minus a discount).

The taxable amount on subscription is also subject to the Universal Social Charge (“USC”). The USC rate is currently 0.5%, 2% 4% or 8% depending on your level of income for the tax year in question. Employee Pay Related Social Insurance (“PRSI”) will also apply. The current rate is 4%.

For income tax purposes, the taxable amount may be abated by 50% on the basis that certain conditions are satisfied including that the shares are locked up for a minimum of five years. In order for the abatement to apply, early termination must be limited to the death of the employee.

Employer PAYE withholdings are required for taxable benefits arising from share subscriptions to employees and directors. USC and Employee PRSI must also be collected at source by the employer as part of the normal payroll withholding tax system. Details of the income tax, USC and PRSI collected at source will be included in your annual end of year statement for the relevant tax year. The employer’s monthly return of salary payments will include details of share based emoluments paid to employees. Your employer will also report the award of the shares to the Revenue Commissioners on a Form ESA by 31 March in the year following the subscription.

#### ■ Dividends

Under the offering, your dividends will be reinvested in the FCPE for additional shares, and may increase the value of the units that you hold. It is expected that you will be subject to tax on the dividends used to acquire the additional shares held by the FCPE on your behalf. A charge to income tax (at your marginal rate), USC and employee PRSI (depending on your personal circumstances) should arise on an amount equal to the net dividend foregone (and issued in shares). You should report the dividend and pay any amounts directly to the Revenue Commissioners.

#### ■ Upon redemption

When you redeem your investment in the FCPE, it is expected that you will be liable to capital gains tax on any gain arising on the disposal of your FCPE units. Capital gains tax at the current rate of 33% should apply to any gain realised to the extent that it exceeds your annual exemption (€1,270 based on current rules). If you opt to redeem your interest for a cash payment, the gain should be computed as the difference between the cash amount you receive at the date of redemption and an aggregate amount equal to the subscription price plus the amount on which you were subject to income tax at the time of the subscription of your shares/ units, and reduced by the amount of tax paid on the dividend amounts already received (if any).

In the event that you are tax resident in Ireland, but not Irish domiciled, you should only be liable to pay Capital Gains Tax on the gain realised on the redemption of the FCPE units or subsequent sale of shares to the extent that the proceeds of the redemption are remitted to Ireland. This is on the assumption that the shares do not constitute Irish property.

There is no social security (PRSI) charge on redemption.

You should report the redemption and pay any capital gains tax arising to Revenue.

## **FREE SHARES**

### **■ Tax and/or social security charges that may be applicable at the date of grant of the right to acquire free shares.**

Tax and social security charges should not arise prior to the end of the vesting period on the grant of the free shares.

### **■ Tax and/or social security charges that may be applicable if the right to receive free shares vests prior to the end of the vesting period and are not delivered before the date of delivery of the shares.**

You will be subject to income tax at your marginal rate of tax (currently either 20% or 40%) on an amount equal to the fair market value of the shares at the date on which you become beneficially entitled to the shares (normally upon delivery). You will also be subject to the USC (currently at rates of between 0.5% and 8%) depending on your aggregate level of income for the tax year in question. Employee PRSI will also apply (currently 4%). Your employer will also report the award of the free shares to the Revenue Commissioners on a Form ESA by 31 March in the year following the subscription.

### **■ Tax and/or social security charges that may be applicable at the date of sale of the shares.**

It is expected that you will be liable to capital gains tax on any gain arising when you sell your shares. Capital gains tax at the current rate of 33% should apply to any gain realised to the extent that it exceeds your annual exemption (€1,270 based on current rules). The gain should be computed as the difference between the cash amount you receive at sale and an aggregate amount equal to the subscription price plus the amount on which you were subject to income tax at the time of the acquisition of your shares, and reduced by the amount of tax paid on the dividend amounts already received (if any).

In the event that you are tax resident in Ireland, but not Irish domiciled, you should only be liable to pay Capital Gains Tax on the gain realised on the redemption of the FCPE units to the extent that the proceeds of the redemption are remitted to Ireland. This is on the assumption that the shares do not constitute Irish property.

There is no social security (PRSI) charge on redemption.

You should report the sale of your shares and pay any capital gains tax arising to Revenue.

### **■ Interest Free Loan**

Where a company provides an interest free loan, this will be deemed to be a benefit in kind received by the employee and the value of the benefit, at the current imputed interest rate of 13.5%, will be subject to income tax, USC and PRSI at normal progressive rates. Tax in respect of the benefit in kind will be deducted through the payroll tax system by your employer.