

ARKEMA GROUP EMPLOYEE SHARE OFFERING 2024

## COUNTRY SUPPLEMENT FOR MALAYSIA



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.

*Disclaimer: THIS DOCUMENT IS DIRECTED WITHIN MALAYSIA ONLY TO PERSONS WHO ARE EMPLOYEES OF THE MALAYSIAN SUBSIDIARIES WHICH ARE WITHIN THE ARKEMA GROUP (“QUALIFIED EMPLOYEES”) AND MUST NOT BE REPRODUCED OR TAKEN BY OR TRANSMITTED TO PERSONS WHO ARE NOT QUALIFIED EMPLOYEES.*

### → 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 (the “**Classic Offer**”).

If the total number of requested shares exceeds the offered shares (1,350,000 shares), the number of available shares will be divided by the number of subscribers to get an average number of shares per subscriber. Subscriptions will be satisfied up to this amount for all subscribers. With the shares remaining after this allocation, another average will be calculated based on the number of subscribers whose subscriptions exceeded the previous average, and those subscriptions will be satisfied up to the new average. This procedure will be repeated as often as necessary until all shares available have been allocated.

#### ■ 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 period of three months determined at the close of the subscription period (September 30, 2024). In addition, such employee must be employed on the last day of the subscription period.

#### ■ Subscription period

The subscription period starts on Monday, September 16, 2024 and lasts until Monday, 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 September 16, 2024 and September 30, 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 in the 2024 Offer by returning the paper subscription form at the latest by September 30, 2024 to:

***For employees of Arkema Coating Resins Malaysia Sdn. Bhd., please return your subscription form to Marion Tan at the following address:***

Arkema Coating Resins Malaysia Sdn. Bhd.,  
Plo 491, Jalan Keluli,  
Pasir Gudang Industrial Estate,  
81700 Pasir Gudang, Johor,  
Malaysia

***For employees of Arkema Thiochemicals Sdn. Bhd., please return your subscription form to Shukri Ibrahim at the following address:***

Arkema Thiochemicals Sdn. Bhd.  
Lot Q, Plot 1,  
Kerteh Biopolymer Park Phase 2,  
24300 Kerteh Kemaman  
Terengganu,  
Malaysia

***For employees of Bostik Malaysia Sdn. Bhd., please return your subscription form to Nicole Siow at the following address:***

Bostik Findley (Malaysia) Sdn. Bhd.  
Lot 112 & 113,  
Kawasan Perindustrian Senawang,  
70450 Seremban,  
Negeri Sembilan,  
Malaysia

## ■ **Subscription price**

The subscription price for the Arkema shares will be at a discount of 25% from the “reference price” and shall be expressed in Euros.

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

Payment will be requested in local currency at an exchange rate between the Euro and the Ringgit Malaysia (“**RM**”) to be set before the subscription period begins. Such exchange rate will be valid for the payment of the subscription price throughout the subscription period.

During the life of your investment, the value of the Arkema shares will be affected by fluctuations in the currency exchange rate between the Euro and RM. As a result, if the value of the Euro strengthens relative to the RM, the value of the shares expressed in local currency will increase. On the other hand, if the value of the Euro weakens relative to the RM, the value of the shares expressed in the RM will decrease.

## ■ **Your investment is capped**

The maximum subscription amount you can invest will be equal to 25% of your gross annual compensation for 2023, up to a cap of 750 discounted shares.

The minimum amount of investment will be Euro (€) 15.

## ■ Investment limits prescribed by the Central Bank of Malaysia for resident individuals in Malaysia

Kindly note that the Foreign Exchange Administration Rules issued by the Central Bank of Malaysia (“BNM”) prescribe limits on investments abroad (which includes investments in an employee share offering made by a foreign issuer) made by resident individuals (i.e., in this case, the employees of Arkema Malaysia (defined below)). The prescribed investment limits are as follows:

- (a) a resident individual without domestic Ringgit borrowing is allowed to undertake an investment abroad of any amount;
- (b) a resident individual with domestic Ringgit borrowing is allowed to undertake an investment abroad of up to RM1 million equivalent in aggregate per calendar year using, among others, foreign currency funds sourced from conversion of Ringgit. Investments exceeding this limit will require BNM’s approval; and
- (c) a resident individual with domestic Ringgit borrowing is allowed to undertake an investment abroad of up to RM10 million equivalent in aggregate of foreign currency borrowing obtained by the resident from a licensed onshore bank or a non-resident. Investments exceeding this limit will require BNM’s approval.

You, and not your employer nor Arkema, will bear the ultimate responsibility to ensure that such foreign investment limits are not exceeded before participating in the offering.

## ■ Method of payment

Payment for the shares subscribed may be made to the relevant participating Malaysian subsidiary of Arkema employing the individual employee (“Arkema Malaysia”):

- (a) by way of immediate payment in the form of a bank transfer or cheque (“Payment Method 1”);
- (b) through interest-free financing to be provided by Arkema Malaysia, subject to the applicable terms and conditions to be determined by Arkema Malaysia (“Payment Method 2”); or
- (c) by a combination of both Payment Method 1 and Payment Method 2, subject to the applicable terms and conditions to be determined by Arkema Malaysia (“Payment Method 3”).

For the purposes of Payment Method 1 above, the subscription payment shall be transferred via bank transfer or paid by cheque to Arkema Malaysia by 5 p.m. on October 21, 2024.

For the purposes of Payment Method 2 and Payment Method 3 above, the salary advance shall be repaid through salary deductions over a period of 24 months from November 2024 to October 2026, provided that the amount of financing does not exceed the financing limit determined by your individual employer, which in any event, the salary advance to be provided does not exceed the amount of the individual employee’s wages for the month of August 2024 (wages as defined under the Malaysian Employment Act 1955). Each salary deduction should not exceed 10% of the individual employee’s net monthly remuneration. Any subscription amount that will not be covered by the salary advance shall be transferred via bank transfer or paid by cheque to Arkema Malaysia by 5 p.m. on October 21, 2024.

In the event an employee ceases his/her employment with Arkema or its subsidiaries for whatever reason, he/she will be required to repay the entire outstanding amount owing prior to his/her final date of employment.

## ■ Currency for Payment

Payments by Arkema Malaysia to a non-resident such as Arkema for the acquisition of foreign currency assets must be made in foreign currency (save for the currency of Israel), as the Malaysian Ringgit is not tradable outside of Malaysia.

Further, outside the Eurozone, Arkema requires that employees pay the subscription price in the local currency (in this case, RM). Therefore, employees will pay for their shares in RM, and Arkema Malaysia will convert the subscription price paid by its employees from RM into Euro before remitting it to Arkema.

## ■ 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 with the existing “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 (expected to end 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

You (or your executors) may request redemption of your investment during the above-mentioned lock-up period in the following circumstances only:

1. Marriage of the employee;
2. Where a child is born or a child arrives at the home in view of being adopted, provided the employee's household is already financially responsible for at least two children;
3. In the event of divorce, when this event is accompanied by a court decision specifying that the sole or shared ordinary place of residence of at least one child is at the domicile of the employee concerned;
4. Where the employee, his or her spouse or children, suffers from a disability as defined by French law;
5. Death of the employee or his/her spouse;
6. Termination of the employment contract;
7. Domestic violence committed against the employee by his or her spouse or his or her former spouse;
8. Where the employee, his or her children, or spouse, allocates the amounts to create certain businesses as provided for by French law; and
9. Where the employee allocates the amounts to the acquisition or enlargement of his or her first residence entailing the creation of a new living area or for repairing damages caused on your main residence by a natural disaster defined as such by local authorities.

The above is a summary of the current early exit provisions permitted under French law. The early exit events are to be interpreted and applied in a manner consistent with French law. Before relying or attempting to rely on any of these early exit events, you should consult with your employer to make sure that your case meets all the requirements of French law.

Employees must present a request for redemption within a period of six months after the occurrence of such event, except in the event of your death or your spouse's death, disability, domestic violence or termination of the employment contract, in which cases your redemption request may be made at any time. 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.

## ■ Important notices

This offering is granted at the sole discretion of Arkema and Arkema reserves the right at its absolute discretion to modify, alter or change the terms and conditions of the offering at any time. The offering is not a contract (of employment or otherwise) and no statement in the offering grants you any contractual rights or any right of continued employment.

## ■ Tax Notices

Arkema is not giving you or is purporting to be giving you any tax advice under the applicable Malaysian laws presently in force. Free Shares

## → 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 employee must have been employed by a company of the Arkema Group on the Grant Date, unless one of the events listed under the 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 or employer practice.

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 employee 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.

In the event that an Arkema Company is required to pay taxes, social charges or any other governmental charges on behalf of any eligible employee as a result of the grant to such employee or delivery of the free shares, Arkema reserves the right to delay the transfer of the free shares to such person until such person has paid all such amounts, or made arrangements for payment that are satisfactory to Arkema, or to cause the sale of the shares and withhold from the proceeds the relevant amounts.

## ■ 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 MALAYSIA

The following summary sets forth general principles that are expected to apply to employees who are resident in Malaysia for the purposes of the tax laws of Malaysia 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 Malaysian tax law and certain French tax laws 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 a compartment of the FCPE and such compartment reinvests any dividends that may be distributed by Arkema, you will not be subject to tax or social charges in France. Any gains realised upon your investment are not subject to taxation or social charges in France.

### B. Taxation in Malaysia

## SUBSCRIBED SHARES

#### ■ Upon subscription

The taxable event is triggered at the point of delivery of the Arkema shares. The discount on the share subscription price (calculated as the difference between the subscription price and the lower of the market value of the shares on the first day of the subscription period and the date of purchase of the shares (i.e., the last day of the subscription period)) is considered a taxable benefit and is subject to taxation at progressive rates of up to 30% for tax residents based on such tax resident's chargeable income for the relevant year of assessment, and a flat rate of 30% for non-residents on Malaysian-sourced income. Market value is defined as the average price of the shares which is ascertained by averaging the highest price and the lowest price of the shares on the corresponding day.

In determining the date of purchase of the shares, assuming that the subscription of shares in Malaysia is only effective on the last day of the subscription period (regardless of when the subscription forms are submitted or when the payment for the shares are remitted), the last day of the subscription period shall be the date of purchase of the shares.

Unless you have made a written election to your employer to pay the tax arising from the taxable benefit by yourself at the time of subscription, any taxes in relation to the taxable benefit you receive will be deducted by your employer from your salary in the month in which the taxable event occurs in accordance with the Income Tax (Deductions from Remuneration) Rules 1994. Such obligation is deemed to arise when the taxable benefit is deemed accrued, which is generally upon the delivery of the purchased shares.

No employer and employee social security charges apply.

#### ■ Dividends

Dividends are exempted from tax if they are derived from outside of Malaysia. This exemption is only applicable to individuals, companies and limited liability partnerships. No employee or employer social security charges apply.

#### ■ Upon redemption

You will not be subject to income taxes in Malaysia on the gain, if any, realised on the redemption of your units, and the subsequent sale of the Arkema shares (unless you are in the business of buying and selling securities). You will also not be subject to capital gains tax. No employee or employer social security charges apply.

#### ■ Interest-free salary advance

If the salary advance to you is obtained from your employer's internal funds, you will not be subject to tax. However, if your employer borrows funds from a third party to grant you the salary advance, you will be taxed on the difference between the interest rate applicable to your employer and the interest rate applicable to you. The rate of tax shall be as stated above on such balance.

## FREE SHARES

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

There are no tax implications as at the date of grant for the right to receive the free shares as the taxable event has not yet been triggered.

## ■ 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

The free shares will be taxed when such shares have vested, i.e., the shares become receivable as they have become unconditional. To this effect, early vesting (for example in case of retirement or redundancy) can change the timing of taxation.

The taxable benefits in such circumstances will be the market value of the shares on the early vesting date multiplied by the number of free shares. Such gains shall be subject to Malaysian income tax at progressive rates of up to 30% for tax residents based on such tax resident's chargeable income for the relevant year of assessment, and a flat rate of 30% for non-residents. No employee or employer social security charges apply.

Unless you have made a written election to your employer to pay the tax arising from the taxable benefit by yourself at the time of early vesting, any taxes in relation to the taxable benefit you receive will be deducted by your employer from your salary in the month in which the taxable event occurs in accordance with the Income Tax (Deductions from Remuneration) Rules 1994. Such obligation is deemed to arise when the taxable benefit is deemed accrued, which is generally upon the early vesting of the free shares.

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

There is no tax implication at the date of delivery given that the taxable event is triggered at vesting i.e., unconditional.

However, if vesting is at the date of delivery, the taxable event will be deemed to have been triggered at delivery.

The taxable benefits in such circumstances will be the market value of the shares on the vesting date multiplied by the number of free shares. Such gains shall be subject to Malaysian income tax at progressive rates of up to 30% for tax residents based on such tax resident's chargeable income for the relevant year of assessment, and a flat rate of 30% for non-residents. No employee or employer social security charges apply.

Unless you have made a written election to your employer to pay the tax arising from the taxable benefit by yourself at the time of vesting, any taxes in relation to the taxable benefit you receive will be deducted by your employer from your salary in the month in which the taxable event occurs in accordance with the Income Tax (Deductions from Remuneration) Rules 1994. Such obligation is deemed to arise when the taxable benefit is deemed accrued, which is generally upon the vesting of the free shares.

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

You will not be subject to capital gains tax. No employee or employer social security charges apply.

## EMPLOYEE'S AND EMPLOYER'S REPORTING OBLIGATIONS

### ■ Employee's reporting obligations

Under the Self-Assessment System, all taxpayers are entrusted with the responsibilities of assessing and paying the taxes due to the Inland Revenue Board of Malaysia ("IRB"). You must ensure that any taxable benefits which you receive under the offering, with respect to the discount on the purchased shares and the free shares you receive, are accurately reported in the Income Tax Form to be submitted annually to the IRB in respect of the preceding year of assessment in which the taxable benefit arose (i.e., Form BE for resident individuals who do not carry on business, Form B for resident individuals who carry on business and Form M for non-resident individuals).

### ■ Employer's reporting obligations

Your employer is also required to submit the following to the IRB:

- (a) a Form BT/MSSP/2012, which is Appendix A to the Public Ruling No. 11/2012 issued by the IRB, to notify the IRB of the plan so that the IRB may confirm how the taxable benefit arising from the plan may be computed by the employer; and
- (b) the names of the employees who have exercised their rights under the plan by submitting the completed Appendix C to the Public Ruling No. 11/2012 once the taxable benefit is determined on or before the last day of February of the next calendar year following the year in which the taxable benefit arose.

The employer is also required to report the taxable benefit arising from the plan in the employees' annual return of remuneration (the EA Form) for the year in which the taxable benefit arose.