

## ARKEMA GROUP EMPLOYEE SHARE OFFERING 2024

# COUNTRY SUPPLEMENT FOR SINGAPORE



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 as of 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 (inclusive).

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 to the 2024 Offer by returning the paper subscription form at the latest by September 30, 2024 to Ms. Fynn Leong (if you are an employee of Arkema Pte. Ltd.), at the following address:

**1 SCIENCE PARK ROAD, #04-01/05, THE CAPRICORN  
SINGAPORE SCIENCE PARK II, SINGAPORE 117528.**

### ■ 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.

Payment will be requested in local currency at an exchange rate to be set before the subscription period begins. Such exchange rate will be valid for the payment of the purchase 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 the Singapore Dollar. As a result, if the value of the Euro strengthens relative to the Singapore Dollar, 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 Singapore Dollar, the value of the shares expressed in Singapore Dollars will decrease.

## ■ 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

**Payment is to be made in Singapore dollars (S\$). You may pay by any one of the following methods:**

- (a) immediate payment in full by way of bank transfer to the prescribed bank account<sup>(1)</sup>;
- (b) subject to the approval of your employer and to such terms and conditions to be determined by your employer and notified to you, by 24 equal monthly installments; or
- (c) subject to the approval of your employer and to such terms and conditions to be determined by your employer and notified to you, a combination of 24 equal monthly installments and immediate payment by way of bank transfer to the prescribed bank account<sup>(1)</sup>.

### **Terms of employer loan:**

For options (b) and (c), your employer will be offering you a loan for the subscription price you indicate in the subscription form, to be repaid over 24 monthly installments through payroll deductions. Payroll deductions in any given month cannot exceed 10% of your net monthly salary.

By electing options (b) or (c), you are authorizing your employer to deduct the amount of monthly installments from your salary.

In the event that you cease to be an employee of Arkema or its (direct or indirect) subsidiaries, you will be required to pay to your employer the entire outstanding amount of the purchase price owing by you for the Arkema shares allocated to you, by way of bank transfer to the prescribed bank account, prior to the last day of your employment.

### **Notes:**

<sup>(1)</sup> Bank account details as provided in the subscription form.

## ■ 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

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

1. Marriage or civil partnership 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 or separation, 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 or civil partner;
6. An early redemption is permitted in case of domestic violence committed against the beneficiary by his or her spouse, civil partner or partner or his or her former spouse, civil partner or partner;
7. Termination of the employment contract;

8. Where the employee, his or her children, or spouse, allocates the amounts saved to create certain businesses as provided for by French law;
9. Where the employee allocates the amounts saved to the acquisition or enlargement of his or her principal 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 (or their executors) must present a request for redemption within a period of six months after the occurrence of such event, except in the event of the death, domestic violence, disability or termination of the employment contract, in which case 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.

## ■ Notices

You acknowledge that this Local Supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Local Supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the units in the FCPE or the Arkema shares may not be circulated or distributed. The Arkema shares may not be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, an exemption under any provision of Subdivision (4) of Division 1 of Part 13 of the Securities and Futures Act 2001.

The Arkema shares and units in the FCPE are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

# → 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) on 'On-line' (Arkema intranet) or, 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 shares 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**

The eligible employee will, as of such date, benefit from the rights of ownership relating to these free shares through representation by the supervisory board of the FCPE, notably the right to be represented by the supervisory board at meetings of the Shareholders of Arkema, and the right to receive any dividends. Any dividends received will be automatically reinvested in the FCPE.

Following the receipt of the free shares the recipient will be free to sell them outside Singapore, without selling restrictions other than insider trading restrictions. For the avoidance of doubt, the free shares may not be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, an exemption under any provision of Subdivision (4) of Division 1 of Part 13 of the Securities and Futures Act 2001. 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 SINGAPORE

The following summary sets forth general principles that are expected to apply to employees who are resident in Singapore for the purposes of the tax laws of Singapore, 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 Singapore and French 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 a 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 Singapore

#### ■ Upon subscription

You will not be subject to tax or required to make Central Provident Fund (“CPF”) contributions at the time of the subscription.

#### ■ Dividends

Foreign-sourced income (including foreign dividends) received in Singapore by a Singapore resident individual, other than through a partnership in Singapore, is exempt from Singapore tax. It also follows that no income tax is payable in Singapore in respect of dividends received from newly issued units in the FCPE, which are accepted by you in consideration of re-invested dividends.

#### ■ Upon redemption

You will be subject to tax when (i) the 5-year lock-up period ends (even if you do not ask for the redemption of your units at this time); or (ii) you exercise your right of early exit following an early exit event, whichever is the earlier (the “Holding Period”). Tax is payable on the fair market value of the shares at the end of the Holding Period, minus the subscription price of the shares (which subscription price would be equal to the discounted price of the Arkema shares) (the “Gain”). The Gain would be considered as income derived in the course of employment, and will be taxable at the personal tax rates applicable to you (these range from 0 to 24% currently).

If you are neither a Singapore citizen nor a Singapore Permanent Resident, or you are a Singapore Permanent Resident leaving Singapore permanently, you may become subject to tax on the Gain in respect of the units earlier than would normally be the case if you should cease employment with the company for which you are exercising employment when the rights to subscribe the units were granted to you. Please contact your human resource department for further information.

CPF contributions will not be payable by you or your employer in Singapore in respect of the Gain.

You will not ordinarily be taxed again if you decide to keep your investment in the FCPE after the end of the 5-year lock up period and choose to redeem your units in the FCPE subsequently (assuming you are holding such units for investment and not trading purposes).

## OTHER

### ■ Reporting obligations with respect to the subscription, holding and sale of the FCPE units, as well as with respect to the receipt of dividends, if any.

For income tax purposes, you have to declare the Gain in your annual income tax return. Generally, you have to declare the Gain in your income tax return for the year of assessment in the basis period for which (i) the 5-year lock-up period ends; or (ii) you exercise your right of early exit following an early exit event, whichever is the earlier, even if you elect not to redeem your units in the FCPE after the end of the Holding Period. The Inland Revenue Authority of Singapore (“IRAS”) will then subsequently assess you on such income. Your employer will also include the Gain in the Form IR8A (Return of Employee’s Remuneration) and relevant annexes given to you or will arrange for such information to be transmitted directly to the IRAS electronically under the Auto-Inclusion Scheme for Employment Income.

## ■ **Taxation resulting from the loan granted to you by your employer, to be repaid through payroll deductions.**

If your investment is paid for in monthly installments, your employer will be granting a loan which would be used to make payment for the subscription price on your behalf. Such loan would be repaid by deductions from your salary. Generally, the amount of an interest-free or reduced interest loan provided by a Singapore employer to an employee would be regarded as employment benefit subject to income tax. However, as an administrative concession and given the similar terms and the broad-based nature of the above financing and offering extended to the employees in Singapore, a Singapore employee would not be subject to tax on the amount of the interest-free or reduced interest loan if he or she does not have substantial shareholdings in, or control or influence over, the Singapore employer by virtue of his or her shareholdings or otherwise.

## **FREE SHARES**

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

You will not be subject to tax or required to make CPF contributions at the time of grant of the right to acquire free shares, on the basis that such shares are subject to vesting requirements.

### ■ **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 tax at the time of vesting of the free shares (or at the time vesting is accelerated, for example in case of retirement or redundancy). As you are not required to pay for the free shares, tax is payable on the fair market value of the shares at the time the free shares vest. Such amount would be considered as income derived in the course of employment, and will be taxable at the personal tax rates applicable to you (these range from 0 to 24% currently).

If you are neither a Singapore citizen nor a Singapore Permanent Resident, or you are a Singapore Permanent Resident leaving Singapore permanently, you may become subject to tax on the gains in respect of the free shares earlier than would normally be the case if you should cease employment with the company for which you are exercising employment when the free shares were granted to you. Please contact your human resource department for further information.

CPF contributions will not be payable by you or your employer in Singapore in respect of the gains from the vesting of the free shares.

For income tax purposes, you have to declare the above gains in your annual income tax return. Generally, you have to declare such gains in your income tax return for the year of assessment in the basis period for which the free shares vest. The IRAS will then subsequently assess you on such income. Your employer will also include such gains in the Form IR8A (Return of Employee's Remuneration) and relevant annexes given to you or will arrange for such information to be transmitted directly to the IRAS electronically under the Auto-Inclusion Scheme for Employment Income.

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

Once you are taxed upon vesting of the free shares, you would not be taxed again when the free shares are delivered to you.

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

Once you are taxed upon vesting of the free shares, you will not ordinarily be taxed again when the free shares are sold (assuming you are holding such shares for investment and not trading purposes).