

ARKEMA GROUP EMPLOYEE SHARE OFFERING 2024

COUNTRY SUPPLEMENT FOR THE UK



You have been invited to invest in shares of Arkema S.A. ("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 for such employees. The Arkema Group employee share offering is being offered as a "Classic Offer".

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 individually.

■ Eligibility

All current employees of Arkema and the employees of its participating direct and indirect majority-owned subsidiaries are eligible to participate, in each case subject to a minimum employment condition of three months measured at the close of the subscription period. In addition, an employee wishing to participate must continue to be employed on the final day of the subscription period (being 30 September 2024).

■ The 2024 Offer

Subject to meeting the eligibility criteria, you are invited to subscribe for shares at a discount, as set out below. Your shares will then be held in an FCPE (see "Custody of your shares" below) for 5 years, and you are only allowed to sell your shares before the expiry of the 5 year lock-up period if you satisfy one of the early withdrawal criteria set out below. Dividends are re-invested on your behalf into new shares and your employer is offering you an interest free loan which is repayable over 10 months to help buy the shares.

As the Arkema shares may be acquired at a discount to their open market value, this discount is subject to income tax and National Insurance at the time of subscription. Further details in relation to taxation are set out below.

Where you subscribe for shares you will also be eligible to receive a grant of matching shares. You will be eligible to receive one matching share for every four shares that you subscribe for, up to a maximum of 25 matching shares. These free matching shares will vest and be delivered to you on or about 6 November 2028, subject to you remaining employed by a company within the Arkema Group (unless an exception to such condition applies). Further details of the free matching shares are described below.

■ Subscription period

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

If you decide to participate in the 2024 Offer, you need to log on the website, 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 your work email address. If you have no work email address or if you have not received your ID and password, you can participate in the 2024 Offer by returning a paper subscription form at the latest by 30 September 2024 to the HR Team, Bostik Limited, Common Road, Stafford ST16 3EH.

■ 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 an Arkema share over the 20 trading days preceding 11 September 2024.

Payment will be requested in pounds sterling, based on 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 pound. As a result, if the value of the euro strengthens relative to the pound, the value of the shares expressed in pounds sterling will increase. On the other hand, if the value of the euro weakens relative to the pound, the value of the shares expressed in pounds sterling 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 that you may invest has been set at the sterling equivalent of €15.

■ Method of payment

You may make your investment either by way of a one-off payment by cheque payable to Arkema Ltd or via a payroll deduction or, as noted above, you will be able to take advantage of an interest-free loan from your employer which is repaid in 10 monthly instalments through payroll deductions (note that deductions in any given month cannot exceed 10% of your net monthly salary).

Employees whose employment contracts are scheduled to expire before 31 October 2024 are not able to use this interest-free loan.

As the subscription price discount will be subject to income tax and National Insurance contributions ("NICs") at the time of subscription, and this amount is collected by a deduction from your pay (please see below for further details of how income tax and NICs are calculated). Your employer has also decided to offer the ability to include this amount in the amount of the interest free loan.

■ 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 collective holding of shares for employee-investors. Your investment will initially 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 for which you will have subscribed.

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

Your investment is subject to a lock-up period of five years (expected to end on 30 October 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. your marriage or entry into a civil partnership;
2. the birth or adoption of a child, provided that your household is already financially responsible for at least two children;
3. in the event of your divorce or the dissolution of your civil partnership, or a separation, where custody of at least one child is retained;
4. where you, your spouse/civil partner or your child, suffer from a disability as defined by French law;
5. your death or the death of your spouse/civil partner;
6. in the event that domestic violence is committed against you by your spouse, civil partner or co-habiting partner or your former spouse, civil partner or co-habiting partner;
7. termination of your employment contract;
8. where you, your children, or spouse/civil partner, allocate the invested amount in the creation of certain businesses as provided for by French law; and
9. where you allocate the invested amount in the acquisition or enlargement of your principal residence resulting in 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.

You (or your 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, disability, domestic violence or termination of your employment contract, in which cases your redemption request may be made at any time. For further information, please contact your HR department.

■ Dividends

Any dividends paid in respect of your shares, while such shares remain in the FCPE, will be reinvested on your behalf by the FCPE in additional Arkema shares. The dividends will not be paid out directly to you. These reinvested dividends will result in the acquisition of additional shares, represented by additional FCPE units.

■ Voting rights

Whilst 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 employees collectively.

■ 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.

■ Securities Notice

The 2024 Offer is designed to fall within Article 1.4(i) of the Prospectus Regulation (EU/2017/1129) and Article 1.4(i) of the UK Prospectus Regulation, which, in each case, is the exemption from producing a prospectus for employee offerings. The UK Country Supplement, the FCPE's information notice and the FCPE's information brochure constitute the documents for the purposes of Article 1.4(i) of the EU Prospectus Regulation and Article 1.4(i) of the UK Prospectus Regulation.

Further information in relation to Arkema and the Arkema share price can be found at www.arkema.com.

→ 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 (otherwise known as matching shares), subject to the conditions contained in the Free Share Plan Rules. It is expected that this grant will be made on 5 November 2024 (the "**Grant Date**"). A summary of the terms of the Free Share Plan Rules is provided below. Copies of the Free Share Plan rules (in French or in English) are available upon request to your HR Department.

The Arkema employers participating in the Free Share 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, you must satisfy the following conditions:

- you 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

- you must be employed by a company within the Arkema Group on the Grant Date, unless one of the events listed under *Exception to the Continued Employment Condition* below occurs between the date of subscription and the Grant Date.

In order to receive the free shares, you must also satisfy the Continued Employment Condition described below unless one of the events listed under *Exception to the Continued Employment Condition* below occurs prior to the Date of Delivery.

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

If you satisfy the above conditions of the Free Share Plan you will be granted a right to receive free shares from Arkema. You will be granted one free share for every four whole shares for which you subscribe, up to a maximum of 25 matching free shares.

For the avoidance of doubt, subscribed shares for these purposes are the number actually delivered, taking into account any reductions that may be made due to individual or total orders in the Arkema Classic Offer exceeding the permitted or available amounts.

■ Information on the Grant of Free Shares

Within a few weeks following the grant by the Board, you will receive a letter or statement confirming that you are an eligible employee and setting out the number of free shares granted to you.

■ Vesting and Delivery of Free Shares

The free shares will be delivered to you four years after the grant, on or about 6 November 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, you will not own the free shares, and consequently you 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 you 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 you. You cannot sell, transfer or pledge your right to receive the free shares under the Free Share Plan. The only exception to this restriction is for transfers to your personal representatives in the event of your death.

■ Continued Employment Condition

In order to receive the free shares, you must remain 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 the avoidance of doubt, if at any time during the Vesting Period you cease to be an employee of the Arkema Group, you will lose all rights to the free shares. These rights will not be restored even in the event that you subsequently become re-employed within the Arkema Group.

■ Exception to the Continued Employment Condition

Notwithstanding the provisions set out above, you will be deemed to satisfy the Continued Employment Condition if, at any time during the relevant Vesting Period, you cease to be employed within the Arkema Group for any of the following reasons:

(i) Death

In the event of your death, your legal personal representatives may request delivery of the free shares within a period of six months following the date of your death. In this case, the free shares will be delivered to such personal representatives promptly following such request and the Vesting Period will not apply.

In the absence of such a request, your free shares will be delivered to such personal representatives on the Date of Delivery.

(ii) Disability

In the event of your disability, within the meaning of the classifications in the second or third categories provided for in Article L. 341-4 of the French Social Security Code, your free shares will be delivered to you at the Date of Delivery.

(iii) Retirement

In case of retirement in accordance with any policy provided for by your employer your free shares will be delivered to you at the Date of Delivery. This exception will only be allowed where your employer operates a retirement policy.

(iv) Redundancy or termination without cause

In case of redundancy or termination without cause, your free shares will be delivered to you at the Date of Delivery. For the avoidance of doubt, a termination for cause related to your 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 of control of the Participating Company, or the disposal of the business or operating unit, for which you work (including by way of outsourcing) to a person or company outside the Arkema Group, you will not lose your right to the free shares as a result of such change or disposal. Your free shares will be delivered to you at the Date of Delivery.

■ Ownership of the Free Shares and Sale Restrictions

At the Date of Delivery, there will be no further restrictions on any of the free shares delivered to you. You will, as of such date, benefit from all the rights of ownership relating to those free shares, in particular 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 you will be free to sell them, without any sale restrictions other than any internal Arkema share dealing code, insider trading restrictions or other legal restrictions. The free shares will be delivered to you via one or more shareholding funds (FCPE) and by participating in the Classic Offer and thereby participating in the Free Share Plan, you will be accepting delivery of your free shares by such method.

In the event that any Arkema Group company is required to pay taxes, NICs charges or any other governmental charges on your behalf as a result of the grant to you or delivery of the free shares, Arkema reserves the right to delay the transfer of the free shares to you until such time as you have paid all such amounts or made arrangements for payment that are satisfactory to Arkema. Arkema may, in this respect, arrange for an automatic sale of a proportion of your shares in order to realise funds sufficient to cover 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 THE UNITED KINGDOM

The following summary sets forth general principles that are expected to apply to employees who are resident in the United Kingdom for the purposes of UK tax laws 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 share offering.

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

PURCHASED SHARES

A. Taxation in France

You will not be subject to taxation in France upon subscription. Provided your investment is held through the FCPE which 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 the United Kingdom

■ Upon subscription

The purchase price of the shares will be fixed and converted into pounds sterling. The difference between this price and the market value of an Arkema share, also converted into pounds sterling, on the last day of the subscription period, will be subject to income tax and National Insurance contributions ("**NICs**"). It is likely that the actual discount will be different from the 25% discount to the 'reference price', but it will not be possible to calculate the exact amount until the end of the subscription period.

Currently, for basic rate tax payers, income tax is payable at 20% and employees' NICs at your prevailing rate, for higher rate tax payers, income tax is payable at 40% and employees' NICs at 2%, and for additional rate tax payers, income tax is payable at 45% and employees' NI at 2%. Different income tax rates apply in [Scotland](#). There may be changes to income tax and NICs rates over the retention period.

Once you have paid the income tax and NICs, there is no more income tax or NICs to pay. The tax you pay will also serve to reduce any CGT liability that you might be required to pay on disposal of your shares (see section 3 on capital gains, below).

In order to ensure that all income tax is paid at the time of subscription an election must be entered into. This election forms part of the subscription form, and so there is not a separate form for you to complete in this respect.

■ Dividends

The shares you buy qualify for dividends in the same way as other Arkema shares, but instead of those dividends being paid to you, they are re-invested in additional shares that are then held until the end of the five year lock-up period.

As you benefit from the dividends, the amount of these dividends is subject to income tax in the UK when they are received on your behalf by the FCPE. This is the only income tax you will pay in relation to the dividends, as any further gains on the reinvested dividend shares will be subject to the capital gains tax system.

Currently, for the 2024/25 tax year, each individual receives a personal dividend annual exempt amount of £500 (from all sources). If the total dividends received in the tax year do not exceed this annual exempt amount, no income tax will be payable. If dividends exceed the annual exempt amount, the excess will be subject to income tax at 8.75% for basic rate tax payers, 33.75% for higher rate tax payers and 39.35% for additional rate tax payers.

Dividends must be declared in the 'foreign income' pages of your tax return. The responsibility for reporting dividends and paying any income tax due on dividends lies with you.

■ Upon a sale of the shares (redemption of FCPE units)

Broadly, a capital gain will arise on the difference between the disposal proceeds of the shares when you sell them, and the sterling equivalent of the market value of the shares acquired on the last day of the subscription period, which was used at the time of subscription to determine your upfront income tax liability.

Where you have acquired Arkema shares at different times, there are complex rules which apply to pool (or average) the acquisition costs for your holdings, and we therefore suggest that you obtain suitably qualified professional advice if you hold Arkema shares acquired at other times, and you are not familiar with the rules.

An annual exemption for capital gains applies, which is £3,000 for the tax year 2024/25 (from all sources), before CGT is payable.

Capital gains which are more than the annual exempt amount are taxed at, currently, 10% for basic rate tax payers and 20% for higher and additional rate tax payers.

The responsibility for reporting capital gains, and paying any capital gains tax that is due, lies with you, and you must include relevant details on your tax return for the year in which you sell the shares. This applies to shares bought under this offer, and to shares you acquire from the re-investment of dividends. Tax returns in paper form (which can be downloaded from the HM Revenue and Customs [website](#)) must be submitted by 31 October following the tax year end (and HM Revenue and Customs will calculate your tax for you if your return is submitted by this date). Alternatively, you may file your tax return electronically up to 31 January in the calendar year following the end of the relevant tax year (and the online system will automatically calculate your tax for you). The registration deadline is 5 October following the tax year end if you are completing a self-assessment tax return for the first time.

FREE SHARES

A. Taxation in France

You will not be subject to taxation in France at the time of grant, vesting or upon the delivery of the free shares. Thereafter, provided that your free shares are held on your behalf through the FCPE which 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 the United Kingdom

■ At the date of grant of the right to acquire free shares.

You will not be subject to taxation at the time of the grant of the right to receive free shares.

■ At the date that the right to receive free shares vests if prior to the end of the Vesting Period (but where shares are not at that time delivered)

You will not be subject to taxation at the time that the right to receive free shares vests if shares are not delivered to you at that time.

■ At the date of delivery of the shares

The value of the free shares at the time of delivery (notwithstanding that such shares may be delivered via a holding in an FCPE) will be converted into pounds sterling and will be subject to income tax and NICs.

Currently, for basic rate tax payers, income tax is payable at 20% and employees' NICs at your prevailing rate, for higher rate tax payers, income tax is payable at 40% and employees' NICs at 2%, and for additional rate tax payers, income tax is payable at 45% and employees' NICs at 2%. Different income tax rates apply in [Scotland](#). There may be changes to income tax and NICs rates over the Vesting Period.

■ At the date of a sale of the shares (redemption of FCPE units)

Broadly, a capital gain will arise on the difference between the disposal proceeds of the shares when you sell them, and their value on the day that they were delivered to you (see section 3 above).

As noted above, where you have acquired Arkema shares at different times, there are complex rules which apply to pool (or average) the acquisition costs for your holdings, and we therefore suggest that you obtain suitably qualified professional advice if you hold Arkema shares acquired at other times, and you are not familiar with the rules.

An annual exemption for capital gains applies, which is £3,000 for the tax year 2024/25 (from all sources), before CGT is payable.

Capital gains which are more than the annual exempt amount are taxed at, currently, 10% for basic rate tax payers and 20% for higher and additional rate tax payers.

The responsibility for reporting capital gains, and paying any capital gains tax that is due, lies with you, and you must include relevant details on your tax return for the year in which you sell the shares. Tax returns in paper form (which can be downloaded from the HM Revenue and Customs [website](#)) must be submitted by 31 October following the tax year end (and HM Revenue and Customs will calculate your tax for you if your return is submitted by this date). Alternatively, you may file your tax return electronically up to 31 January in the calendar year following the end of the relevant tax year (and the online system will automatically calculate your tax for you). The registration deadline is 5 October following the tax year end if you are completing a self-assessment tax return for the first time.

■ Dividends

Once delivered to you, but not during the Vesting Period, your free shares will qualify for dividends in the same way as other Arkema shares. As your free shares will be held by the FCPE on your behalf, in the same way as your purchased shares, any dividends will be re-invested in additional shares on your behalf. The tax treatment of dividends on your free shares is therefore as set out above in respect of the purchased shares.

EMPLOYEES' LOAN

Loans granted to employees are not subject to income tax if the total of all such loans is less than £10,000 in any tax year. If this amount is exceeded, the whole amount of such loan(s) (not just the amount over £10,000) will be treated as a beneficial loan for income tax purposes, and the employer is required to report it to HM Revenue and Customs on the employee's P11D declaration and you will need to pay any tax due via self-assessment. The taxable amount is the difference between the notional rate of interest applied by HM Revenue and Customs to the loan (currently 2.25%) and the rate of interest actually paid, if any (for the loan connected with the Classic Offer, the interest rate is nil).

We must emphasise that Arkema cannot reply to employees' questions on the application or meaning of these tax rules. This is because neither Arkema nor any of its subsidiaries or affiliates are permitted to give advice on tax or investment matters, and any information given to you in connection with any plan, offer or investment is given on the understanding that Arkema does not do so. Any action you take in connection with any plan, offer or investment is at your own risk.

Employees should be aware that the value of shares may rise or fall.