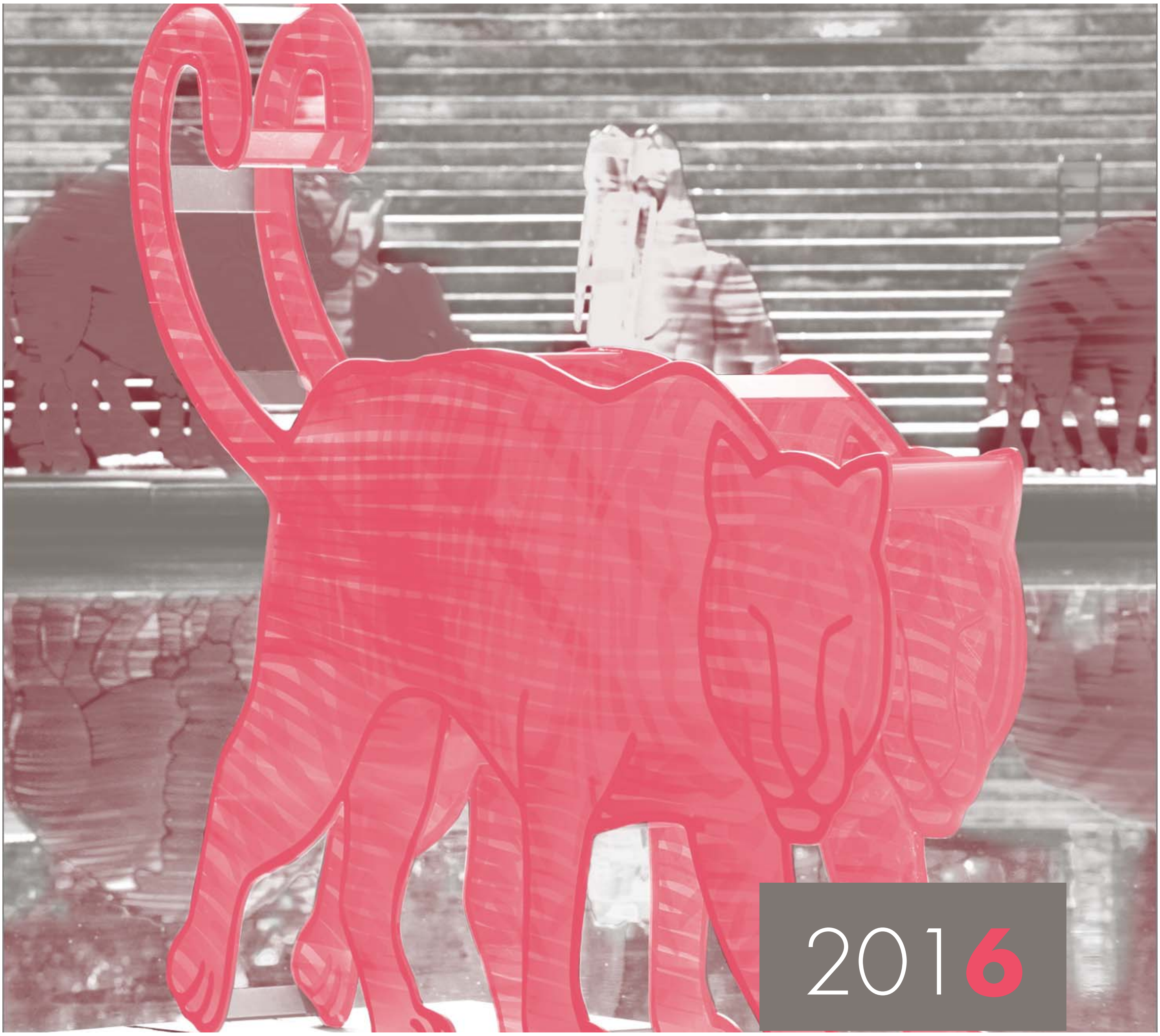

2016

# NOTICE OF MEETING

## COMBINED ANNUAL GENERAL MEETING

TUESDAY 7 JUNE 2016 AT 10:30 A.M.

**Palais Brongniart**
Grand Auditorium
Place de la Bourse
75002 Paris - France

ARKEMA
INNOVATIVE CHEMISTRY

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*Press releases and all other information useful to shareholders, including documents related to this annual general meeting, can be found on* **www.finance.arkema.com**.
*For further information, please contact Arkema's Investor Relations department at:* **+ 33 (0)1 49 00 74 63**

***This document is a free translation in English of the "Brochure de convocation" and is provided solely for the information and convenience of English-speaking readers.***

# MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Ladies and Gentlemen, Dear Shareholders,

I am pleased to invite you to participate in Arkema's annual general meeting to be held on Tuesday 7 June 2016 at the Palais Brongniart in Paris.

As every year, it is a valuable opportunity for dialogue and exchanges, and, by exercising your right to vote, you are taking part in the decisions relating to the future of your Group.

This annual general meeting will be the opportunity to review the Group's achievements since Arkema's creation and its stock market listing on 18 May 2006. Over the last ten years, our Group has gone through an in-depth transformation with the ambition of becoming one of the major players in specialty chemicals. Its profile has deeply changed with a business portfolio increasingly focused on materials and innovative solutions, as shown by the twofold increase in High Performance Materials sales. Its geographic presence has been rebalanced in favour in particular of North America and Asia. From a financial standpoint, the Group's EBITDA has been multiplied by 3, while the EBITDA margin now stands at 13.8% against 6.2% in 2005. With regard to safety, the Group has made considerable progress with an injury frequency rate per million man-hours (TRIR) dropping from 11.3 in 2005 to 1.5 in 2015. Finally, we have successfully carried through a number of initiatives to reduce our environmental footprint with, for example, a 64% reduction in the Group's greenhouse gas emissions over the period. This overall improvement, well above the average for the rest of the chemical industry, has been largely recognized by the financial markets, with the Company's market capitalization multiplied by close to three since 2006. Our solid cash generation has also enabled us to regularly increase our dividend, which this year is being proposed at 1.90 euro per share, 2.7% up on the previous year. Finally, the Group's corporate governance, ever more efficient and stringent, today ranks among the best practices.

As we celebrate the 10-year anniversary of our stock market listing, Arkema's teams, the Board of Directors and I, are proud of these achievements. We are fully committed to successfully pursue this transformation, and we firmly believe that the next ten years within Arkema will continue to be highly value accretive given the quality of its profile and of its growth platforms.

Over and above these 10 years, this general meeting will also be an opportunity to review the 2015 financial year, which was marked in particular by the integration of Bostik, the ramp-up of the thiochemicals platform in Malaysia, and a strong financial performance.

The agenda of this general meeting and the proposed resolutions that will be submitted to your approval are detailed in this notice of meeting, together with practical information on how to take part in the meeting, a summary of our Group's 2015 results and its outlook, and information on the composition of our Board of Directors.

I do hope that you will all be able to attend this annual general meeting, and I would like to thank you for your confidence and loyalty.

**Thierry Le Hénaff**
Chairman and Chief Executive Officer

# **HOW TO TAKE PART** IN THE GENERAL MEETING?

The combined annual general meeting will take place at 10:30 a.m. (Paris time) on Tuesday 7 June 2016 at the Palais Brongniart, Grand Auditorium, place de la Bourse, 75002 Paris – France*. The registration desk will open at 9:30 a.m.

The annual general meeting is only open to Arkema's shareholders regardless of the number of shares they hold.

**To take part in the general meeting, you are therefore required to provide evidence of your status as a shareholder of Arkema two business days before the date of the meeting, *i.e.*, by 0:00 a.m. (Paris time) on 3 June 2016.**

## How to provide evidence of your status as a shareholder of Arkema?

### IF YOUR SHARES ARE REGISTERED

The evidence of your status as a shareholder is provided simply by having your shares registered in your name in the direct or administered registered account at the latest at 0:00 a.m. (Paris time) on 3 June 2016. You do not need to do anything further.

### IF YOU HOLD BEARER SHARES

The evidence of your status as a shareholder is provided by **a certificate of participation** *(attestation de participation)* issued by your financial intermediary (bank, stockbroker or any other party who manages the share account in which your Arkema shares are held). Your financial intermediary is your **only contact** for these matters.

He will send the certificate of participation along with your request for an admission card or your proxy form to the following registrar appointed by Arkema:

**BNP Paribas Securities Services**
**CTS Émetteurs – Service des Assemblées**
**Les Grands Moulins de Pantin**
**9, rue du Débarcadère**
**93761 Pantin Cedex – France**

## How to vote?

### IF YOU WISH TO ATTEND THE GENERAL MEETING

You must request an admission card. Simply tick box **A** on the form, fill in your name, first name and address, or make sure they are correct if already mentioned, before **dating** it and **signing** it.

### IF YOU DO NOT WISH TO ATTEND THE GENERAL MEETING

You may choose one of the three options to vote mentioned on the form and then fill in your name, first name and address or make sure they are correct if already mentioned, before **dating** and **signing** the form:

- **vote by post**: tick box 1 "I vote by post" and complete your vote for each resolution. Once you have done this, you may not attend the meeting or give a proxy to someone else;
- **give your proxy to the Chairman of the general meeting**: tick box 2 "I give my proxy to the Chairman of the general meeting". In this case, the Chairman will vote in favour of the proposed resolutions agreed by the Board of Directors;
- **appoint another shareholder of Arkema, your spouse, a partner with whom you have entered into a civil partnership or any other person of your choice as your proxy**, in the conditions provided for in articles L. 225-106 of the French Commercial Code *(Code de commerce)*: tick box 3 "I appoint as my proxy" and fill in the name, first name and address of the person who will attend the meeting on your behalf.

You can also appoint or remove a proxy **electronically** by sending an email to **paris.bp2s.france.cts.mandats@bnpparibas.com**. This email must mention Arkema and contain the date of the general meeting, your name, first name and address, and the name, first name and, if possible, address of the proxy. If you are a **direct registered shareholder**, this email must contain your registered account number, and, if you are a **bearer shareholder** or an **administered registered shareholder**, your bank references.

If you are a **direct registered shareholder**, you must confirm your request on the website PlanetShares/My Shares or PlanetShares/My Plans on the page "My shareholder space – My general meetings", "Appoint/Remove a proxy".

If you are a **bearer shareholder** or an **administered registered shareholder**, you must ask your financial intermediary to send confirmation in writing to BNP Paribas Securities Services – CTS Émetteurs – Service des Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

To be duly taken into account, confirmation of appointment or removal of a proxy sent electronically must be received at the latest by 3:00 p.m. (Paris time) the day before the general meeting. Appointments or removals of proxy confirmed by mail must be received at the latest 3 calendar days before the date of the general meeting.

**In all cases described above, you must complete the enclosed form and send it to your financial intermediary if you hold bearer shares, or to BNP Paribas Securities Services using the reply paid envelope provided if your shares are registered.**

* *As required by article R. 225-67 of the French Commercial Code, the convening notice was published in the Bulletin des Annonces Légales et Obligatoires on 6 May 2016.*

Whichever option you choose, **only those shares held in the share account** no later than **two business days** prior to the annual general meeting, *i.e.*, **3 June 2016 at 0:00 a.m. (Paris time) will be taken into account**.

If shares are sold or transferred after this record date, the certificate of participation will remain valid and votes cast or proxies granted by the seller will be taken into account.

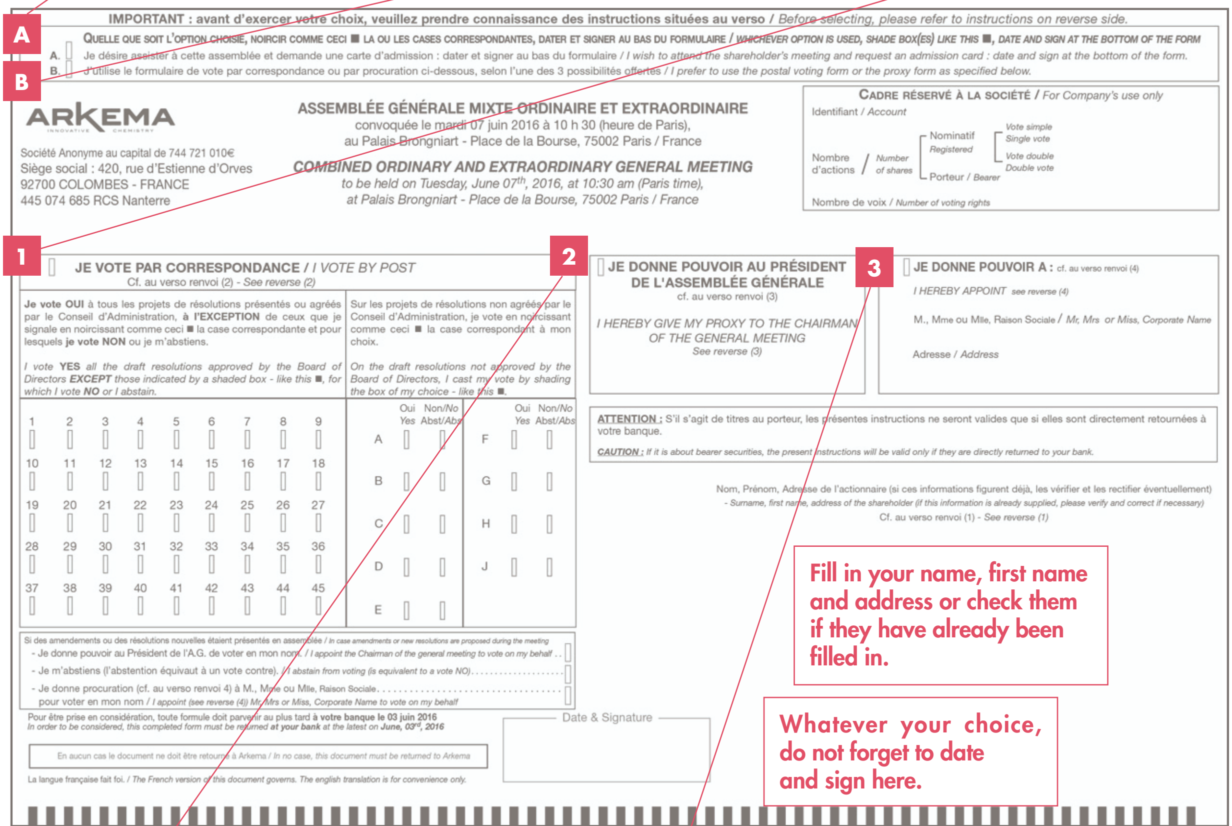
Shareholders who have cast a postal vote, given a proxy to another person, or requested an admission card will not have the right to participate in the general meeting in another way.

## How to fill out the form?

**You will attend the meeting in person:**
fill in box **A** to receive your admission card.

**You will not attend the meeting:**
fill in box **B** to appoint a proxy or vote by post.

**You will not attend the meeting and want to cast a postal vote:**
fill in box **1** and follow the instructions.



IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / *Before selecting, please refer to instructions on reverse side.*

QUELLE QUE SOIT L'OPTION CHOISIE, NOIRCIR COMME CECI ■ LA OU LES CASES CORRESPONDANTES, DATER ET SIGNER AU BAS DU FORMULAIRE / *WHICHEVER OPTION IS USED, SHADE BOX(ES) LIKE THIS ■, DATE AND SIGN AT THE BOTTOM OF THE FORM*

A. Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / *I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.*

B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / *I prefer to use the postal voting form or the proxy form as specified below.*

ARKEMA
INNOVATIVE CHEMISTRY

Société Anonyme au capital de 744 721 010€
Siège social : 420, rue d'Estienne d'Orves
92700 COLOMBES - FRANCE
445 074 685 RCS Nanterre

**ASSEMBLÉE GÉNÉRALE MIXTE ORDINAIRE ET EXTRAORDINAIRE**
convoquée le mardi 07 juin 2016 à 10 h 30 (heure de Paris),
au Palais Brongniart - Place de la Bourse, 75002 Paris / France

***COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING***
*to be held on Tuesday, June 07th, 2016, at 10:30 am (Paris time),*
*at Palais Brongniart - Place de la Bourse, 75002 Paris / France*

CADRE RÉSERVÉ À LA SOCIÉTÉ / *For Company's use only*
Identifiant / *Account*
Nombre d'actions / *Number of shares* — Nominatif / *Registered*; Porteur / *Bearer*
Vote simple / *Single vote*; Vote double / *Double vote*
Nombre de voix / *Number of voting rights*

**1** JE VOTE PAR CORRESPONDANCE / *I VOTE BY POST*
Cf. au verso renvoi (2) - *See reverse (2)*

**Je vote OUI** à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration, **à l'EXCEPTION** de ceux que je signale en noircissant comme ceci ■ la case correspondante et pour lesquels **je vote NON** ou je m'abstiens.

*I vote* ***YES*** *all the draft resolutions approved by the Board of Directors* ***EXCEPT*** *those indicated by a shaded box - like this ■, for which I vote* ***NO*** *or I abstain.*

Sur les projets de résolutions non agréés par le Conseil d'Administration, je vote en noircissant comme ceci ■ la case correspondant à mon choix.

*On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.*

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 |
| 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 |

| | Oui / Yes | Non/No Abst/Abs | | Oui / Yes | Non/No Abst/Abs |
|---|---|---|---|---|---|
| A | | | F | | |
| B | | | G | | |
| C | | | H | | |
| D | | | J | | |
| E | | | | | |

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / *In case amendments or new resolutions are proposed during the meeting*
- Je donne pouvoir au Président de l'A.G. de voter en mon nom. / *I appoint the Chairman of the general meeting to vote on my behalf* . .
- Je m'abstiens (l'abstention équivaut à un vote contre). / *I abstain from voting (is equivalent to a vote NO)* . . . . . . . . . .
- Je donne procuration (cf. au verso renvoi 4) à M., Mme ou Mlle, Raison Sociale . . . . . . . . . . pour voter en mon nom / *I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf*

Pour être prise en considération, toute formule doit parvenir au plus tard **à votre banque le 03 juin 2016**
*In order to be considered, this completed form must be returned* ***at your bank*** *at the latest on* ***June, 03rd, 2016***

En aucun cas le document ne doit être retourné à Arkema / *In no case, this document must be returned to Arkema*

La langue française fait foi. / *The French version of this document governs. The english translation is for convenience only.*

**2** JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
cf. au verso renvoi (3)
*I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING*
*See reverse (3)*

**3** JE DONNE POUVOIR A : cf. au verso renvoi (4)
*I HEREBY APPOINT see reverse (4)*
M., Mme ou Mlle, Raison Sociale / *Mr, Mrs or Miss, Corporate Name*
Adresse / *Address*

**ATTENTION :** S'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.

***CAUTION :*** *If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.*

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)
*- Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)*
Cf. au verso renvoi (1) - *See reverse (1)*

Date & Signature

**Fill in your name, first name and address or check them if they have already been filled in.**

**Whatever your choice, do not forget to date and sign here.**

**You will not attend the meeting and want to give your proxy to the Chairman of the meeting:**
fill in box **2**.

**You will not attend the meeting and want to appoint as your proxy a person of your choice who will be attending the meeting:**
fill in box **3** and fill in the name and address of this person.

**NB**: *if you hold bearer shares, please do not send the form directly to Arkema or to BNP Paribas Securities Services as it must be accompanied by a certificate of participation. Your financial intermediary (bank or stockbroker) will issue the required certificate and send it with your voting form to: BNP Paribas Securities Services – CTS Émetteurs – Service des Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.*

# ARKEMA IN 2015

## 2015 key figures

All figures contained in this section are provided on a consolidated basis and in accordance with the Group's organization into three divisions, as presented at the Capital Markets Day in June 2015.

**18,912** employees

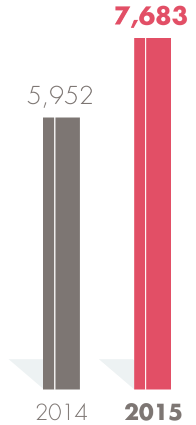
**136** production sites

Presence in **50** countries

**3** regional research and innovation hubs

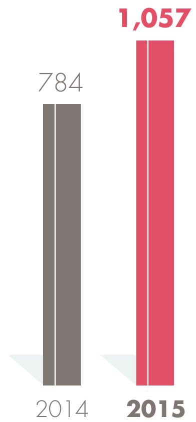
**SALES**

*(in millions of euros)*



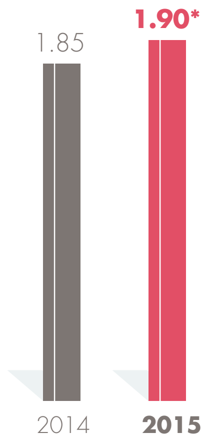

**EBITDA**

*(in millions of euros)*




**DIVIDEND**

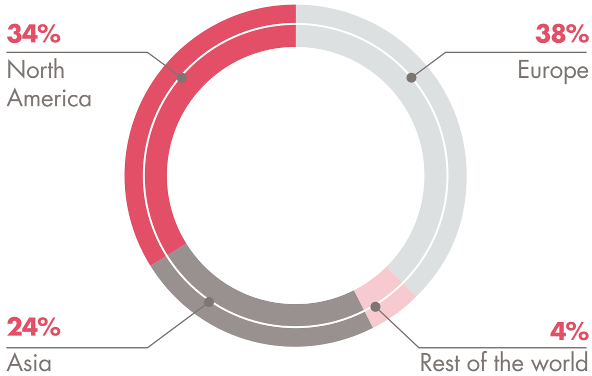
*(in euros per share)*




* *Dividend proposed to the annual general meeting on 7 June 2016.*

**SALES BY SEGMENT**


**SALES BY REGION**



### Key figures of the income statement

| *(In millions of euros unless otherwise mentioned)* | 2015 | 2014 | Variation |
|---|---|---|---|
| **Sales** | **7,683** | **5,952** | **+29.1%** |
| **EBITDA** | **1,057** | **784** | **+34.8%** |
| **EBITDA margin** *(EBITDA as % of sales)* | **13.8%** | **13.2%** | **-** |
| Recurring operating income | 604 | 447 | +35.1% |
| Operating income | 488 | 364 | +34.1% |
| Net income – Group share | 285 | 167 | +70.7% |
| Adjusted net income | 312 | 246 | +26.8% |
| Net income per share *(in euros)* | 3.87 | 2.53 | +53.0% |
| Adjusted net income per share *(in euros)* | 4.23 | 3.72 | +13.7% |
| **Dividend per share** *(in euros)* | **1.90*** | **1.85** | **+2.7%** |

* *Dividend proposed at the annual general meeting on 7 June 2016.*

### Key figures of the balance sheet

| *(In millions of euros unless otherwise mentioned)* | 2015 | 2014 |
|---|---|---|
| Shareholders' equity | 3,949 | 3,573 |
| Net debt | 1,379 | 154 |
| Gearing *(in %)* | 35% | 4% |
| Capital employed | 6,466 | 4,565 |
| Working capital on sales *(in %)* | 14.6%* | 16.1% |
| Net provisions** | 907 | 751 |

* *Working capital on sales as defined in section 4.1.7 of the 2015 Reference Document.*
** *Provisions net of non-current assets as defined in section 4.1.7 of the 2015 Reference Document.*

### Key figures of the cash flow statement

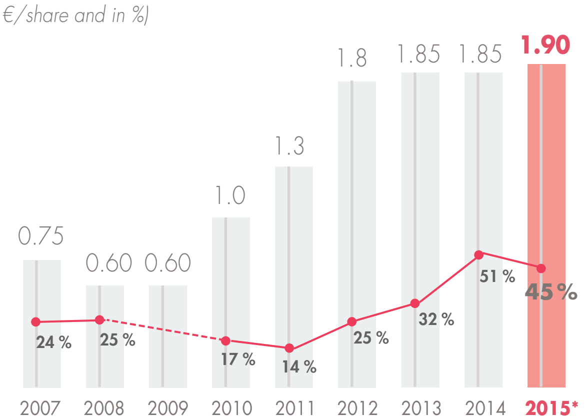
| *(In millions of euros unless otherwise mentioned)* | 2015 | 2014 | Variation |
|---|---|---|---|
| Cash flow from operating activities | 858 | 507 | +69.2% |
| **Free cash flow*** | **442** | **21** | **x21** |
| **Capital expenditure** | **431**** | **470** | **(8.3)%** |

* *Cash flow from operations and investments excluding the impact of portfolio management.*
** *Excluding capital expenditure related to portfolio management as defined in section 4.1.9 of the 2015 Reference Document.*

### Shareholder return

**DIVIDEND AND PAYOUT RATIO**

*(in €/share and in %)*




* *Dividend proposed at the annual general meeting on 7 June 2016*

**SHARE PRICE PERFORMANCE SINCE ARKEMA'S STOCK MARKET LISTING (18 MAY 2006)**

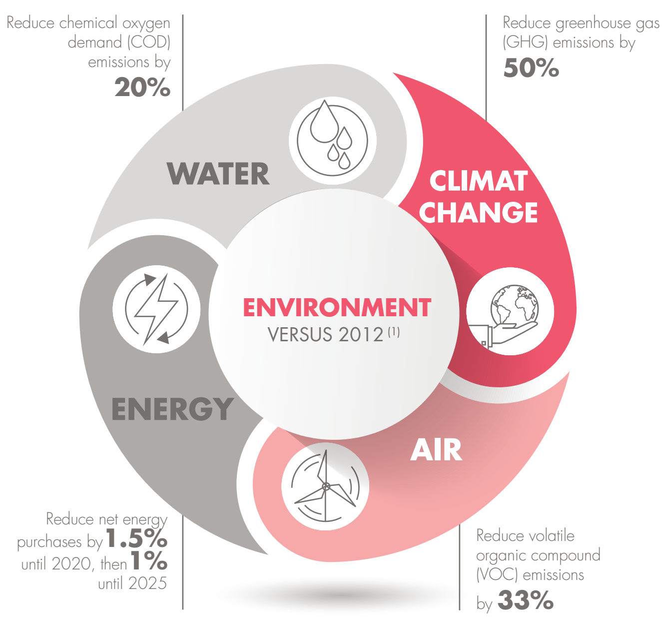
**Safety and environmental key figures**

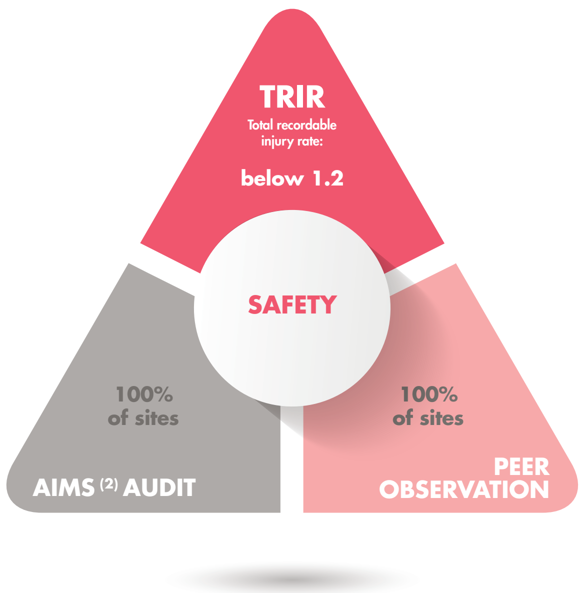
*(In 2015, figures include data for Bostik sites acquired in early 2015. Figures for 2014 do not include data for Bostik sites)*

| | 2015 | 2014 |
|---|---|---|
| **Safety** | | |
| Total recordable injury rate (TRIR)* | 1.5 | 1.9 |
| Percentage of sites implementing peer observation | 57% | 77% |
| Percentage of AIMS-audited sites** | 61% | 78% |
| **Environment** | | |
| Direct greenhouse gas emissions *(kt eq $CO_2$)* | 3,000 | 3,430 |
| Volatile organic compounds emissions *(t)* | 5,010 | 4,600 |
| Chemical oxygen demand *(t $O_2$)**** | 3,200 | 3,870 |
| **Resources** | | |
| Net energy purchases *(TWh)* | 8.48 | 8.36 |

* Number of injuries per million hours worked (including injuries not resulting in time off work).
** AIMS (Arkema Integrated Management System) audit which combines ISO 9001, ISO 14001 and OHSAS 18001 requirements.
*** Chemical oxygen demand is a parameter for measuring water pollution by organic compounds, whose decomposition consumes oxygen.

## 2025 SAFETY AND ENVIRONNEMENTAL TARGETS




*(1) Relative indicators based on 2012 reference year.*
*(2) The Arkema Integrated Management System (AIMS) combines ISO 9001, ISO 14001 and OHSAS 18001 requirements.*

## 2015 Group's highlights

In 2015, the Group finalized several transformative developments which supported its very solid financial performance and will continue to support the Group's growth over the next few years. These developments include mainly:

- the acquisition of Bostik, the world number three in the attractive adhesives market. This acquisition, in line with the Group's objective to further strengthen its High Performance Materials division was finalized on 2 February 2015. Its integration went smoothly with the quick implementation and benefit of first synergies. Bostik achieved very good growth in 2015 with 183 million euros EBITDA for the full year (eleven months of which as part of the Group), 16% up over 2014. The acquisition is accretive in net income and cash from 2015. This initial successful year within the Group confirms the relevance of this acquisition and the development potential of this activity over the medium term;
- the ramp-up of the new thiochemicals platform in Malaysia, which came on stream in first quarter 2015 and represents a technical and commercial success. The contribution in 2015 of this investment exceeded the Group's initial plan, supported by the very strong demand in the methionine market for animal feed in Asia. In 2016, this investment will contribute one additional quarter versus prior year.

The Group also announced in terms of:

- organic growth, a project to double its specialty molecular sieves production capacity at its Honfleur site in France, to allow it to match the market's average annual growth rate of 6% to 7%, driven mainly by Asia and the Middle East. This investment of around 60 million euros is scheduled to come on stream in two phases with the first to start in the summer of 2016 and the second in early 2017. In Specialty Adhesives, the Group started new hot melt pressure-sensitive adhesives units in India and Mexico, and a unit in the United States. Finally, the Group announced, in composites, a project to develop PEKK production capacities in France and in the United States; and
- portfolio management, the finalization, in November 2015, of the divestment of Sunclear, a plastic and aluminum sheet distribution business included in the PMMA Business Line and representing around 180 million euros sales. The Group also finalized the acquisition of Oxido in organic peroxides.

Finally, the Group has continued to implement its operational excellence program which combines productivity initiatives and variable cost optimization.

## 2015 Group's performance

### SALES

**Sales** reached **7.7 billion euros**, +29.1% up on 2014, supported by a +25.8% scope effect essentially related to the acquisition of Bostik (finalized on 2 February 2015) which generated 1,497 million euros sales since its integration. This effect also includes the impact of the acquisition of a stake in Taixing Sunke Chemicals in acrylics in China and of the disposal of the Sunclear companies finalized in November 2015. The currency effect (translation only) was favorable at +7.8% mostly due to a stronger US dollar versus the euro with an average 1.11 parity over 2015 against an average of 1.33 in 2014. Volumes remained stable overall (+0.2%) in a moderate global growth environment. Higher volumes in Thiochemicals following the start-up of the Kerteh platform in Malaysia in first quarter 2015 and in Technical Polymers offset lower volumes in Coating Solutions. Variation in prices over the year (-4.7%) resulted from the acrylics cycle and the effect on sales prices of lower raw materials.

### EBITDA AND RECURRING OPERATING INCOME

**EBITDA** rose sharply (+35%) to **1,057 million euros** against 784 million euros in 2014. At constant scope of business, EBITDA grew by 13%. In a global economic environment marked by low growth, a significant drop in oil prices and a strong US dollar versus the euro, most product lines improved significantly compared to the previous year. However, acrylic monomers were, as expected, in low cycle conditions. Several structural drivers contributed to this strong improvement, including the integration of Bostik, the ramp-up of the new thiochemicals plant in Malaysia and the gradual improvement in the performance of fluorogases. A positive currency effect (translation) of around 80 million euros and some lower raw material costs also contributed to this performance. Finally, operational excellence initiatives helped offset two thirds of fixed cost inflation through fixed and variable cost savings. **EBITDA margin** grew to **13.8%** (13.2% in 2014) despite the mechanically dilutive effect of Bostik integration and the acrylics cycle.

In line with higher EBITDA, **recurring operating income** stood at **604 million euros** (447 million euros in 2014). It includes 453 million euros depreciation and amortization, up on last year (337 euros million), mostly due to the acquisition of Bostik, the purchase of a stake in Taixing Sunke Chemicals, the impact of currencies, and the start-up of new production plants.

### NET INCOME GROUP SHARE

**Net income Group share** stood at **285 million euros** in 2015 (167 million euros in 2014). Excluding the after-tax impact of non-recurring items, **adjusted net income** amounted to **312 million euros** in 2015 against 246 million euros in 2014.

Net income includes **-116 million euros non-recurring items** of which -71 million euros relating to Bostik purchase price allocation. Excluding this impact, non-recurring items amounted to -45 million euros, mainly including -73 million euros impairments on the assets of MLPC which manufactures rubber additives and on a part of the goodwill on the acquisition of Hebei Casda in order to reflect slower development prospects in the sebacic acid market, as well as +39 million euros related to divestment and acquisition operations.

It also includes **-92 million euros financial result** against -74 million euros in 2014, as a result of the higher cost of debt related to the financing of Bostik acquisition and to the increase in the part of the debt financed in currencies other than the euro.

Finally, it includes **118 million euros income taxes**, of which 82 million euros tax income accounted for as part of Bostik purchase price allocation and the valuation at fair value of assets acquired and liabilities assumed. This income corresponds in particular to the recognition of 60 million euros deferred tax assets in France. Excluding these items, the tax rate amounted to 33% of the recurring operating income. This rate reflects the geographic breakdown of the results, and in particular the weight of North America in the Group's results.

### DIVIDEND

Reaffirming the importance of dividends as a key component of shareholder return policy, and in light of the Group's performance in 2015, the Board of Directors decided to propose to the annual general meeting of 7 June 2016 a dividend of 1.90 euro per share representing an increase of 2.7% from 2014. This decision reflects the Board of Directors' confidence in the Group's medium-term development prospects and in its solid cash flow generation and balance sheet.

## 2015 performance by division

### HIGH PERFORMANCE MATERIALS

**The High Performance Materials division comprises businesses providing the various niche markets concerned with innovative and high added value technical solutions adapted to the needs of their customers. The Group holds leading positions in most of the product lines of this division.**

| *(In millions of euros)* | **2015** | **2014** |
|---|---|---|
| Sales | 3,358 | 1,730 |
| EBITDA | 506 | 314 |
| EBITDA margin *(% of sales)* | 15.1% | 18.2% |

High Performance Materials sales amounted to 3,358 million euros, +94% up on 2014 with Bostik's contribution amounting to 1,497 million euros over eleven months and a +7.2% translation effect mostly corresponding to the strengthening of the US dollar versus the euro. Volumes were stable overall with good growth in volumes in Technical Polymers driven by growing new applications offsetting weaker demand in certain applications for the oil and gas market. The price effect was limited to -0.5% over the year.

EBITDA increased by 61% to 506 million euros (against 314 million euros in 2014) supported by a strong contribution from Bostik. Over 2015 as a whole (eleven months of which as part of the Group), Bostik generated 183 million euros EBITDA, 16% up on 2014, and an 11.2% EBITDA margin (10.3% in 2014). The success of development projects, lower costs, the benefits of first synergies and a positive translation effect all contributed to this significant improvement which confirms the development potential of adhesives within the Group for the medium term. The acquisition is accretive in earnings and cash from first year. Excluding Bostik, EBITDA for the division also improved. Within the filtration and adsorption business, molecular sieves recorded a good year, up on 2014. At 15.1%, the EBITDA margin reflects the mechanically dilutive effect of Bostik's integration.

### INDUSTRIAL SPECIALTIES

**The Industrial Specialties division comprises a number of activities with common characteristics, among which are the use of complex manufacturing processes, the existence of global markets that offer the prospects of strong growth, particularly in Asia and positions among the world leading companies.**

| *(In millions of euros)* | **2015** | **2014** |
|---|---|---|
| Sales | 2,450 | 2,269 |
| EBITDA | 418 | 312 |
| EBITDA margin *(% of sales)* | 17.1% | 13.8% |

Industrial Specialties sales grew by +8% over 2014 to 2,450 million euros. The translation effect was favorable at +8.6% and the scope effect (-2.0%) reflected the disposal of the companies Sunclear completed in November 2015. At constant exchange rates and scope of business, sales grew by +1.5% while volumes were +1.7% up, sustained by the ramp-up of the new thiochemicals plant in Malaysia which came on stream in first quarter 2015. The price effect was limited (-0.2%).

EBITDA, +34% up on 2014, stood at 418 million euros. EBITDA margin also improved significantly to 17.1%, close to its historic levels. All of the division's product lines contributed to this performance. The excellent performance of Thiochemicals reflected the ramp-up, faster than first anticipated by the Group, of the new Kerteh platform in Malaysia which benefited from a strong demand in the animal feed market in Asia. In line with our forecasts, Fluorogases results improved gradually over 2014, supported by higher prices in some gases, in particular in the United States, and the benefit of productivity initiatives. Finally, PMMA achieved also a very good year despite some signs of normalization towards the end of the year.

### COATING SOLUTIONS

**The Coating Solutions division is an integrated value chain which comprises acrylic monomers in its upstream part where the Arkema Group ranks among the world leading companies, and downstream activities focusing mainly on decorative paints and industrial coatings.**

| *(In millions of euros)* | 2015 | 2014 |
|---|---|---|
| Sales | 1,849 | 1,930 |
| EBITDA | 190 | 203 |
| EBITDA margin *(% of sales)* | 10.3% | 10.5% |

Coating Solutions sales amounted to 1,849 million euros, 4.2% down over 2014. The translation effect was positive at +7.5%, and the purchase of a stake in Taixing Sunke Chemicals in China resulted in a +3.6% scope effect. A -1.4% decrease in volumes reflects the caution shown by customers given the high volatility of raw materials and a continuing soft demand in construction and decorative paints in Europe. The -13.9% price effect results from the acrylics cycle and lower raw material costs.

Thanks to its solid downstream integration, Coating Solutions overall held up well despite a low cycle environment in acrylic monomers with 190 million euros EBITDA, close to the 203 million euros achieved in 2014, and an EBITDA margin just above 10% like the previous year. The division benefited from new developments at Coatex and in coating resins, a good control of costs, as well as the positive impact of currencies. These elements offset to a large extent the level of margins in acrylic monomers. In this business, which accounts for 10% of the Group's sales, unit margins were at low cycle levels, particularly in Asia. Against this background, the Group decided not to exercise the option to significantly increase its rights to acrylic acid capacity as part of the Taixing Sunke Chemicals joint venture which owns and operates acrylic acid and butyl acrylate production plants at Taixing in China, as the financial conditions for exercising the option no longer reflected the market conditions prevailing in Asia in this activity. Over 2016, unit margins overall for acrylic monomers should remain close to current levels for the first part of the year but could start to gradually improve towards the end of the year.

## Cash flow and net debt at 31 December 2015

In 2015, the Group generated **+442 million euros free cash flow**[(1)], significantly up on 2014. Beyond Group's EBITDA strong improvement over 2014, this performance reflects the good control of capital expenditure which amount to 431 million euros (excluding capital expenditure related to portfolio management[(2)]), namely 5.6% of the Group's sales (against 7.9% in 2014), in line with the Group's ambition to reduce its capital intensity. Variation in working capital amounted to +127 million euros[(3)] thanks to optimisation efforts implemented in certain activities and to lower raw material costs. The working capital over annual sales ratio improved to 14.6%[(4)] from 16.1% in 2014. Free cash flow represents 42% of 2015 EBITDA. This excellent performance fully illustrates the Group's ambition to increase its EBITDA to cash conversion ratio.

Excluding non-recurring items and the impact of portfolio management operations, the Group generated **+478 million euros recurring cash flow** in 2015 (+205 million euros in 2014).

Acquisitions and divestments represented net cash outflows of -1,219 million euros corresponding primarily to the acquisition of Bostik and the divestment of the Sunclear companies. This cash flow includes in particular the share price of companies purchased net of cash acquired as well as the expenses and investments related to these operations.

**Cash flow from financing activities** of **371 million euros** in 2015 included a bond issued in January 2015 for a net amount of 691 million euros as part of Bostik acquisition as well as a dividend of 1.85 euros per share paid in new shares of the Company, therefore resulting in a share capital increase of 88 million euros, and paid in cash for a an amount of 47 million euros. Finally, it included the payment of 33 million euros interests on an hybrid bond.

Consequently, **net debt** amounted to **1,379 million euros** at 31 December 2015 (against 154 million euros at 31 December 2014), *i.e.*, 35% gearing.

*(1) Cash flow from operations and investments excluding the impact of portfolio management.*

*(2) Investments related to portfolio management operations mainly corresponding to the transfer to the Taixing Sunke Chemicals joint venture of a 3rd acrylic acid production line with an increase in fixed assets payable. This transfer had no impact on the net debt at 31 December 2015.*

*(3) Excluding flows related to non-recurring items totaling +58 million euros which primarily included a 36 million euros non-cash flow related to an inventory step-up carried out as part of Bostik purchase price allocation.*

*(4) Working capital excluding fixed assets payable accounted for as part of the transfer to Taixing Sunke Chemicals of the 3rd acrylic acid production line.*

# Outlook

The current macro-economic environment remains characterized by a moderate worldwide growth and low visibility with contrasted dynamics by region and volatility in currencies, energy and raw material prices.

In this contrasted environment, Arkema will continue to focus on its internal drivers. The Group will continue to develop Bostik and implement synergies in line with its ambition and the medium and long term targets set for this business. The Group will also pursue its plan to gradually improve its fluorogas business and the ramp-up of its thiochemicals platform in Malaysia with a contribution in 2016 which will benefit from one additional quarter. Finally, the ongoing roll-out of operational excellence initiatives will help offset part of the impact of inflation on fixed costs.

Based on these drivers and assuming energy cost and currencies in line with current levels, the Group is confident in its ability to grow EBITDA in 2016.

For the medium term, in normalized market conditions, the Group aims to generate 1.3 billion euros EBITDA in 2017 versus 784 million euros in 2014. The underlying assumptions for this target were presented at the Capital Markets Day held in June 2015 and are detailed in section 4.2 of the 2015 Reference Document. Furthermore, in order to maintain a solid balance sheet, the Group has set itself a target to return to gearing of some 40% by end 2017.

Finally, over the longer term, the Group aims to achieve, by 2020, in normalized conditions, 10 billion euros sales and an EBITDA margin close to 17%, while maintaining a net debt to EBITDA ratio of around 1.5.

# Results of the Company in the last five years

(articles R. 225-81, R. 225-83 and R. 225-102 of the French Commercial Code)

| **Type of disclosures** *(In millions of euros unless otherwise indicated)* | **2011** | **2012** | **2013** | **2014** | **2015** |
|---|---|---|---|---|---|
| I – FINANCIAL POSITION AT YEAR END | | | | | |
| a) Share capital | 619 | 629 | 630 | 728 | 745 |
| b) Number of shares issued | 61,864,577 | 62,877,215 | 63,029,692 | 72,822,695 | 74,472,101 |
| II – OPERATIONS AND RESULTS | | | | | |
| a) Sales (excluding VAT) | 12 | 14 | 13 | 15 | 18 |
| b) Income before tax, depreciation, impairment and provisions | 5 | 2 | 206 | 70 | 703 |
| c) Income taxes | 31 | 36 | 26 | 28 | 52 |
| d) Employee profit sharing | - | - | - | - | - |
| e) Income after tax, depreciation, impairment and provisions | (289) | 26 | 212 | 189 | 754 |
| f) Amount of dividends distributed | 81 | 113 | 117 | 135 | NC |
| III – EARNINGS PER SHARE *(in euros)* | | | | | |
| a) Income after tax but before depreciation, impairment and provisions | 0.58 | 0.61 | 3.69 | 1.34 | 10.14 |
| b) Income after tax, depreciation, impairment and provisions | (4.68) | 0.42 | 3.37 | 2.59 | 10.12 |
| c) Net dividend per share | 1.30 | 1.80 | 1.85 | 1.85 | NC |
| IV – EMPLOYEE DATA | | | | | |
| a) Number of employees | 8 | 7 | 7 | 7 | 7 |
| b) Total payroll | 5 | 7 | 4 | 5 | 7 |
| c) Amounts paid to employee benefit bodies in the year | 2 | 3 | 3 | 3 | 4 |

# BOARD
# OF DIRECTORS

## Composition of the Board of Directors

At the date of this document, the Company is run by a Board of Directors comprising twelve members, nine of whom are independent pursuant to the criteria laid down in the Board of Directors' Internal Rules and by the AFEP-MEDEF Code. In accordance with the AFEP-MEDEF Code, which provides that the director representing shareholder employees should not be included when calculating the percentage of independent directors, the rate of independence of the Board of Directors was 82% (9 directors out of 11).

The Board includes four women out of a total of twelve members, *i.e.*, one third of its members.

The Board of Directors met six times in 2015 with a high average attendance rate for all directors of 93%.

At the date of this document, the composition of the Board of Directors was as follows:

**THIERRY LE HÉNAFF**

*Chairman and Chief Executive Officer*

Born in 1963
**First appointment:** 2006
**End of current term:** 2016
**Number of shares:** 124,675 [1]
**Nationality:** French

*Other terms of office and positions*

- None

**PATRICE BRÉANT**

*Director representing shareholder employees*

Born in 1954
**First appointment:** 2010
**End of current term:** 2018
**Number of FCPE shares:** 475 [1]
**Nationality:** French

*Other terms of office and positions*

- None

**FRANÇOIS ÉNAUD**

*Independent director*

*Member of the Nominating, Compensation and Corporate Governance Committee*

*Senior Independent Director*

Born in 1959
**First appointment:** 2006
**End of current term:** 2019
**Number of shares:** 551 [1]
**Nationality:** French

*Other terms of office and positions*

- Chairman, FE Développement SAS
- Partner and Director, Aston Finance
- Partner and Director, Premium Peers
- Chairman of the Board of Directors, *Agence nouvelle des solidarités actives* (ANSA)
- Director, FONDACT (Association under French law 1901 for participative management, employee savings plans, and responsible share ownership)

**BERNARD KASRIEL**

*Independent director*

*Member of the Nominating, Compensation and Corporate Governance Committee*

Born in 1946
**First appointment:** 2006
**End of current term:** 2017
**Number of shares:** 1,642 [1]
**Nationality:** French

*Other terms of office and positions*

- Director, L'Oréal*
- Director, Nucor* (USA)

**VICTOIRE DE MARGERIE**

*Independent director*

*Member of the Nominating, Compensation and Corporate Governance Committee*

Born in 1963
**First appointment:** 2012
**End of current term:** 2019
**Number of shares:** 450 [1]
**Nationality:** French

*Other terms of office and positions*

- Chairman of Rondol Industrie
- Director, Ecoemballages
- Director, Eurazéo*
- Director, Banque Transatlantique
- Director, Morgan Advanced Materials* (UK)
- Director, Babcock International Group Plc.* (UK)
- Director, Italcementi* (Italy)

**LAURENT MIGNON**

*Independent director*

Born in 1963
**First appointment:** 2006
**End of current term:** 2019
**Number of shares:** 300 [1]
**Nationality:** French

*Other terms of office and positions*

- Within the BPCE group:
  - Chief Executive Officer, Natixis SA*
  - Chairman of the Board of Directors, Natixis Global Asset Management (NGAM)
  - Member of the Executive Board, BPCE
  - Chairman of the Board of Directors, Coface SA*
- Director, Lazard Ltd*

**HÉLÈNE MOREAU-LEROY**

*Independent director*

*Member of the Audit and Accounts Committee*

Born in 1964
**First appointment:** 2015
**End of current term:** 2019
**Number of shares:** 450 (1)
**Nationality:** French

*Other terms of office and positions*

- Chairman and Chief Executive Officer, Hispano-Suiza (Safran group)
- Director, SEM-MB

**THIERRY MORIN**

*Independent director*

*Chairman of the Nominating, Compensation and Corporate Governance Committee*

Born in 1952
**First appointment:** 2006
**End of current term:** 2017
**Number of shares:** 1,281 (1)
**Nationality:** French

*Other terms of office and positions*

- Chairman, Thierry Morin Consulting (TMC)
- Chairman of the Board of Directors, *Université de Technologie de Compiègne*
- Manager, TM France
- Chairman, TMPARFI SA (Luxembourg)
- Director, Elis*

**MARC PANDRAUD**

*Independent director*

Born in 1958
**First appointment:** 2009
**End of current term:** 2017
**Number of shares:** 500 (1)
**Nationality:** French

*Other terms of office and positions*

- Chairman of investment banking at JP Morgan for France and Belgium

**CLAIRE PEDINI**

*Independent director*

*Member of the Audit and Accounts Committee*

Born in 1965
**First appointment:** 2010
**End of current term:** 2018
**Number of shares:** 450 (2)
**Nationality:** French

*Other terms of office and positions*

- Senior Vice-President in charge of Human Resources, Compagnie Saint-Gobain*

**PHILIPPE VASSOR**

*Independent director*

*Chairman of the Audit and Accounts Committee*

Born in 1953
**First appointment:** 2006
**End of current term:** 2017
**Number of shares:** 2,000 (1)
**Nationality:** French

*Other terms of office and positions*

- Chairman, Baignas SAS
- Chairman, V.L.V. SAS
- Chairman, Triple V SAS
- Chairman, VLV Orfila SAS

**FONDS STRATÉGIQUE DE PARTICIPATIONS**

*Independent director*

**First appointment:** 2014
**End of current term:** 2018
**Number of shares:** 4,759,008 (1)

*Other terms of office and positions*

- Director, SEB S.A.*
- Director, Zodiac Aérospace*

**Permanent representative of the FSP:**

**ISABELLE BOCCON-GIBOD**

*Member of the Audit and Accounts Committee*

Born in 1968
**Nationality:** French

*Other terms of office and positions*

- Member of the national investment strategy Board *(Conseil national d'orientation)*, BPI France
- Vice-President of the Economic Commission, MEDEF
- Director, Paprec
- Director, *Centre Technique du Papier*

*(1) Held at 31 December 2015.*
*(2) Held at the date of this document.*
* *Listed company.*

## Information on the director whose term of office is subject to renewal at this annual general meeting

The general meeting will be asked to renew for a four-year period the term of office as director of Thierry Le Hénaff, Chairman and Chief Executive Officer, which expires at the close of this general meeting.

Born in 1963, Thierry Le Hénaff is a graduate of France's *École polytechnique* and *École nationale des ponts et chaussées* and holds a master's degree in Industrial Management from Stanford University in the United States. Thierry Le Hénaff was appointed Chairman and Chief Executive Officer of Arkema on 6 March 2006 and Chairman of the Board of Directors of Arkema France on 18 April 2006.

After starting his career with Peat Marwick Consultants, in 1992 he joined Bostik, Total's Adhesives division, where he held a number of operational positions in France and worldwide. In July 2001, he was appointed Chairman and Chief Executive Officer of Bostik Findley, the new entity resulting from the merger of Total's and Elf Atochem's Adhesives divisions. On 1 January 2003, he joined Atofina's Executive Committee, where he was in charge of three business units (Agrochemicals, Fertilizers and Thiochemicals) and three corporate departments. In 2004, he became a member of Total's management committee. On 6 March 2006, he was appointed Chairman and Chief Executive Officer of Arkema and led the Company's stock market listing on 18 May 2006.

## Advisory vote of the shareholders on the components of compensation due or awarded to each of the Company's executive directors for the year ended 31 December 2015

In accordance with the recommendations of section 24.3 of the AFEP-MEDEF Code, the code which the Company refers to pursuant to article L. 225-37 of the French Commercial Code *(Code de commerce)*, the components of compensation due or awarded to each of the Company's executive directors for the past financial year are submitted to the advisory vote of the shareholders. The compensation principles and the components of the compensation of the Chairman and Chief Executive Officer, the only executive director of the Company, are detailed in section 3.4.3 of the 2015 Reference Document.

Accordingly, it is proposed to this annual general meeting, in the 7th resolution, to vote in favour of the following components of compensation due or awarded in respect of the 2015 financial year to M. Thierry Le Hénaff, Chairman and Chief Executive Officer:

**COMPONENTS OF COMPENSATION DUE OR AWARDED TO THIERRY LE HÉNAFF FOR 2015 SUBMITTED TO THE ADVISORY VOTE OF THE SHAREHOLDERS**

| Components of compensation due or awarded for 2015 | Amounts or accounting valuation submitted to the vote | Description |
|---|---|---|
| Fixed compensation | €750,000 | Thierry Le Hénaff's annual fixed compensation was adjusted on 23 May 2012 when he was re-appointed as Chairman and Chief Executive Officer to bring it closer to that of the chief executive officers of comparable industrial companies.<br>At its meeting on 4 March 2015, the Board of Directors decided to maintain Thierry Le Hénaff's fixed compensation for 2015 at 750,000 euros, which, taking into account the increase in the compensation of his peers since 2012, places Thierry Le Hénaff's annual fixed compensation 12% below the median of the panel. |

| | | |
|---|---|---|
| Annual variable compensation | €1,125,000 | Variable compensation due for 2015, which could, as in previous years, represent up to 150% of the annual fixed compensation, was set by the Board of Directors at its meeting of 2 March 2016, taking into account the quantitative and qualitative criteria approved by the Board in 2015 and the achievements noted as of 31 December 2015, as follows:<br>• **concerning the three quantitative criteria,** linked to the financial performance of the Group (EBITDA, recurring cash flow and margin on variable costs of new developments), the achievement rates were as follows in 2015:<br>◦ 100% for the first criterion (level of EBITDA) taking into account the very good performance of the Group, with EBITDA up 35% compared to 2014 in a soft and volatile global economic environment. The Board also noted that, excluding the effect of changes in the scope of business, EBITDA was 13% higher than in 2014,<br>◦ 100% for recurring cash flow. In 2015, recurring cash flow reached an excellent level at 478 million euros with a very high EBITDA to cash conversion ratio of over 40%. This very strong growth reflected good control over capital expenditure, with a lower ratio of capital expenditure to sales and over working capital supported by the positive effect of lower raw materials costs in 2015. In addition, the Board observed that, just eleven months after the Bostik acquisition, the Group's gearing ratio was back below 40%,<br>◦ 100% for the contribution of new developments. The Board took into account, in particular, the very successful start-up of the Kerteh thiochemicals platform using an innovative technological process, the success of the technical polymers used in new sports applications, promising developments in the areas of consumer electronics and new energies, the discovery of new applications in oil additives, developments for Coatex and coating resins in several specialty segments, new low odor grades developed by Bostik, the growth in sales of hydrogen peroxide specialties and advances in 3D printing and thermoplastic compounds.<br>After applying the calculation formula defined by the Nominating, Compensation and Corporate Governance Committee, the variable compensation due in respect of quantitative criteria amounted to 110% of the annual fixed compensation; and<br>• **concerning the qualitative criteria** relating for the most part to the implementation of the Group's strategy and operating priorities, the performance was deemed excellent at the end of a particularly busy year, in light of the successful implementation of several projects of significant importance to the Group. In particular, the Board of Directors noted the completion or progress of several industrial projects that were complex, significant and fundamental in establishing the Group's long term positioning. They include the successful technical start-up and rapid ramp-up of the thiochemicals platform in Malaysia, the smooth integration of Bostik and the implementation of the first synergies between the two groups, renegotiation of the contractual conditions governing the Sunke acrylics joint venture set up with Jurong Chemical in China in challenging market conditions for these products in Asia, gradual deployment of the recovery plan for the fluorogases business, progress in implementing the divestment program with the divestment of Sunclear which represented annual sales of around 180 million euros, ongoing deployment of the SAP global management system for the Group's supply chain, the successful outcome of the Klesch arbitration, efficient management of fixed costs and working capital (with a pro forma ratio of working capital to sales of 14.6% in 2015 versus 16.1% in 2014), and lower capital intensity (with capital expenditure representing 5.6% of sales in 2015 compared to 7.9% in 2014). Lastly, improvements in the safety records exceeded the original targets to reach levels among the best in the industry (TRIR of 1.5 accidents per million hours worked in 2015 compared to 1.9 accidents in 2014).<br>Consequently, the variable compensation due in respect of qualitative criteria was set at 40% of the annual fixed compensation.<br>In total, his variable compensation for 2015 approved by the Board of Directors amounts to 1,125,000 euros, around 63% more than in 2014 when his variable compensation reflected the impact on the Group's performance of a generally challenging year. Such an increase reflects the very strong earnings growth and the successful implementation of a number of projects. It represents 150% of 2015 annual fixed compensation and an overall achievement rate of 100% (100% in respect of quantitative criteria and 100% in respect of qualitative criteria), after a very significant decline in variable compensation in 2013 and 2014.<br>Further details on the criteria may be found in section 3.4.3.2 of the 2015 Reference Document. |
| Deferred variable compensation | N/A | Thierry Le Hénaff receives no long-term variable compensation. |
| Exceptional compensation | N/A | Thierry Le Hénaff was not awarded any exceptional compensation. |
| Attendance fees | N/A | Thierry Le Hénaff receives no attendance fees from Arkema. |
| Stock options | N/A | The Board of Directors decided at the beginning of 2013 not to grant any further stock options. |
| Performance shares | €1,110,060 | Making use of the authorization granted by the annual general meeting of 4 June 2013 (12th resolution), on the recommendation of the Nominating, Compensation and Corporate Governance Committee, at its meeting of 9 November 2015, the Board of Directors awarded 26,000 performance shares (representing 0.03% of share capital) to Thierry Le Hénaff (out of a total of 345,120 shares granted to around 1,100 grantees, representing 7.5% out of a maximum of 12%).<br>The shares will vest at the end of a four-year period if three performance targets are met (EBITDA growth, EBITDA to cash conversion rate (net cash flow/EBITDA) and comparative Total Shareholder Return – TSR) and subject to Thierry Le Hénaff still being with the Group at the end of this period. These three criteria apply to 35%, 30% and 35% of rights awarded, respectively.<br>Further details on the criteria may be found in section 3.5.1 of the 2015 Reference Document. |
| Benefits in kind | €6,720 | Thierry Le Hénaff has a company car. |

**COMPONENTS OF COMPENSATION DUE OR AWARDED FOR 2015 ALREADY SUBMITTED TO THE GENERAL SHAREHOLDERS MEETING FOR APPROVAL AS PART OF THE PROCEDURES FOR RELATED-PARTY AGREEMENTS AND COMMITMENTS**

| | | |
|---|---|---|
| *Termination benefit* | *No payment* | *Thierry Le Hénaff could be entitled to compensation for termination of office in an amount not exceeding two years' gross fixed and variable compensation, calculated based on the achievement of five quantitative targets set by the Board of Directors and approved by the general shareholders' meeting (total recordable injury rate (TRIR), comparative EBITDA margin, working capital, EBITDA margin, and return on capital employed).*<br>*In accordance with the related-party agreements and commitments procedure, this commitment was authorized by the Board of Directors' meeting of 7 March 2012 and approved by the annual general meeting of 23 May 2012 (6th resolution).*<br>*Further detail on the conditions governing the award of this compensation may be found in section 3.4.3.4 of the 2015 Reference Document.* |
| *Non-compete compensation* | *N/A* | *Thierry Le Hénaff would not be entitled to any non-compete compensation.* |
| *Supplementary pension benefits* | *No payment* | *Thierry Le Hénaff benefits from a supplementary defined benefit pension scheme offered to certain executives of the Group whose annual compensation exceeds eight times the annual social security ceiling, provided that they complete their career in the Group. The future benefits from this supplementary pension scheme will be paid after deducting benefits received under the defined contribution scheme applicable to certain executives of the Group. As of 31 December 2015, the Company's pension commitments for the Chairman and Chief Executive Officer corresponded to an annual pension (calculated based primarily on the average compensation paid over the last three years) equal to 28.3% of his current annual compensation.*<br>*In accordance with the related-party agreements and commitments procedure, this commitment was authorized by the Board of Directors' meeting of 4 July 2006, and approved by the annual general meeting of 5 June 2007 (4th resolution).*<br>*Further details on this pension commitment may be found in section 3.4.3.4 of the 2015 Reference Document.* |

# PROPOSED AGENDA
AND PROPOSED RESOLUTIONS

## Proposed agenda for the combined annual general meeting

### RESOLUTIONS PROPOSED TO THE ORDINARY GENERAL MEETING

- Approval of the Company's financial statements for the year ended 31 December 2015.
- Approval of the consolidated financial statements for the year ended 31 December 2015.
- Allocation of profit for the year ended 31 December 2015 and distribution of dividends.
- Special report of the statutory auditors on related-party agreements and commitments referred to in articles L. 225-38 *et seq.* of the French Commercial Code *(Code de commerce)*.
- Special report of the statutory auditors on related-party agreements and commitments referred to in article L. 225-42-1 of the French Commercial Code.
- Re-election of Thierry Le Hénaff as member of the Board of Directors.
- Advisory vote of the shareholders on the components of compensation of Thierry Le Hénaff.
- Authorization granted to the Board of Directors to carry out a share buyback program.

### RESOLUTIONS PROPOSED TO THE EXTRAORDINARY GENERAL MEETING

- Delegation of authority granted to the Board of Directors to issue shares in the Company and/or securities giving access to shares in the Company, with preferential subscription rights.
- Delegation of authority granted to the Board of Directors to issue shares in the Company and/or securities giving access to shares in the Company, by means of a public offering, without preferential subscription rights but with a binding priority period.
- Delegation of authority granted to the Board of Directors to issue shares in the Company and/or securities giving access to shares in the Company, without preferential subscription rights, by means of an offering referred to in article L. 411-2 II of the French Monetary and Financial Code *(Code monétaire et financier)*.
- Authorization granted to the Board of Directors, in the event of the issue of shares and/or securities giving access to shares in the Company, without preferential subscription rights, to set the issue price in accordance with the terms set forth by the annual general meeting up to a maximum of 10% of the share capital over a 12-month period.
- Delegation of authority granted to the Board of Directors to issue shares in the Company as compensation for contributions in kind.
- Authorization granted to the Board of Directors to increase the number of shares to be issued with or without preferential subscription rights, in the event of a capital increase pursuant to the five foregoing resolutions.
- Overall limit on authorizations to increase the Company's share capital immediately and/or in the future.
- Delegation of authority granted to the Board of Directors to carry out share issues reserved for members of a company savings plan *(Plan d'Épargne d'Entreprise)*, without preferential subscription rights.
- Authorization granted to the Board of Directors to award free shares in the Company.
- Authorization granted to the Board of Directors to award free shares in the Company to the Chairman and Chief Executive Officer.
- Amendment to the Articles of Association to enable the appointment of a director representing employees.
- Powers to carry out formalities.

In addition, the Supervisory Board of the FCPE Arkema Actionnariat France proposed a resolution which has not been agreed by the Board of Directors, in order to offer shareolders the option for the payment of the dividend in shares:

- Option for the payment of the dividend in shares.

# PRESENTATION AND TEXT OF THE PROPOSED RESOLUTIONS SUBMITTED TO THE ANNUAL GENERAL MEETING

## Resolutions proposed to the ordinary general meeting

### 1ST AND 2ND RESOLUTIONS APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR

*The purpose of the **1st and 2nd resolutions** is to approve respectively the Company's financial statements and the consolidated financial statements for the year ended 31 December 2015.*

FIRST RESOLUTION

*(Approval of the Company's financial statements for the year ended 31 December 2015)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, and having considered the Company's financial statements for the year ended 31 December 2015, the Board of Directors' management report and the statutory auditors' reports, approves said financial statements as well as the transactions reflected in said financial statements and described in said reports.

In accordance with the provisions of article 223 quater of the French Tax Code *(Code général des impôts)*, the ordinary general meeting formally notes that no expenses or charges referred to in article 39–4 of said code were incurred during the past financial year.

SECOND RESOLUTION

*(Approval of the consolidated financial statements for the year ended 31 December 2015)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, and having considered the consolidated financial statements for the year ended 31 December 2015, the Board of Directors' Group management report and the statutory auditors' report on the consolidated financial statements, approves said financial statements as well as the transactions reflected in said financial statements and described in said report.

### 3RD RESOLUTION ALLOCATION OF PROFIT AND DISTRIBUTION OF DIVIDENDS

*The purpose of the **3rd resolution** is to formally acknowledge that the net income of the Company for the 2015 financial year amounts to 753,934,202.81 euros, to allocate it to the legal reserve, to acknowledge that the distributable reserves amount to 796,369,826.25 euros and to approve the distribution of a **dividend** of **1.90 euro per share, up 2.7%** compared to 2014. This decision confirms the importance of dividends as a key component of the Group's shareholder return policy and also reflects the Board of Directors' confidence in the Group's medium-term development prospects and in its solid cash flow generation and balance sheet.*

*This distribution is fully eligible for the 40% tax deduction to which individual French tax residents are entitled.*

*The shares will trade ex-dividend as of **9 June 2016**. The dividend will be payable as of **13 June 2016**.*

THIRD RESOLUTION

*(Allocation of profit for the year ended 31 December 2015 and distribution of dividends)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having noted that the Company's financial statements for the financial year ended 31 December 2015 show a profit of 753,934,202.81 euros decides, as recommended by the Board of Directors, to allocate the profit for the financial year as follows:

| | |
|---|---|
| Profit for the period | €753,934,202.81 |
| Prior retained earnings | €44,448,134.86 |
| Allocation to legal reserve | €2,012,511.42 |
| Distributable profit | €796,369,826.25 |
| Dividend distribution(1) | €141,496,991.90 |

*(1) The total dividend distribution is calculated on the basis of the number of shares carrying dividend rights as of 1 January 2015 and existing on the date of the Board of Directors' meeting adopting the proposed resolution and therefore granting dividend rights. The total may vary if the number of shares carrying dividend rights changes up to the ex-dividend date depending, for example, on the number of treasury shares and as a result of the capital increase reserved for employees decided by the Board of Directors on 2 March 2016 up to a maximum of 1,200,000 shares.*

Accordingly, the annual general meeting decides to pay a dividend of 141,496,991.90 euros with regard to the 74,472,101 shares carrying dividend rights on 1 January 2015 and existing on the date of the Board of Directors' meeting adopting the proposed resolutions, corresponding to a distribution of 1.90 euro per share, it being specified that full powers are granted to the Board of Directors to set the definitive total amount of the dividend, then the balance of distributable income and consequently the amount to be allocated to retained earnings.

The shares will be traded ex-dividend as of 9 June 2016 and the dividend for the 2015 financial year will be payable as of 13 June 2016.

The dividend is eligible for the 40% tax deduction available to individual shareholders domiciled for tax purposes in France as provided for in article 158.3-2° of the French Tax Code.

The dividend paid for the last three financial years was as follows:

| Financial year | 2013 | 2014 | 2015 |
|---|---|---|---|
| Net dividend per share *(in euros)* | 1.85(2) | 1.85(2) | 1.90(2) |

*(2) Eligible in full for 40% tax deduction available to individual shareholders domiciled for tax purposes in France as provided for in article 158.3-2° of the French Tax Code.*

## 4TH AND 5TH RESOLUTIONS APPROVAL OF RELATED-PARTY AGREEMENTS

*The purpose of the **4th resolution** is to submit to the approval of the shareholders the statutory auditors' special report on the related-party agreements and commitments included in section 6.1 of the 2015 Reference Document.*

***No new agreement or commitment was agreed during 2015.***

*The purpose of the **5th resolution** is to submit to the approval of the shareholders the renewal of an agreement entered into between the Company and Thierry Le Hénaff, concerning a termination indemnity due in the event of forced departure, as presented in the statutory auditors' special report.*

*As from his re-appointment as Chairman and Chief Executive Officer and in the event of forced departure, Thierry Le Hénaff will continue to be entitled to a termination indemnity in an amount calculated based on the achievement of five quantitative performance criteria whose level of requirements has been further increased by the Board of Directors (TRIR, annual variable compensation of the Chairman and Chief Executive Officer, return on capital employed, working capital and comparative EBITDA margin). The indemnity will amount to a maximum of twice his total annual gross fixed and variable compensation. Conditions for the payment of this indemnity are detailed in section 3.4.3.4 of the 2015 Reference Document.*

### FOURTH RESOLUTION

*(Agreements referred to in articles L. 225-38 et seq. of the French Commercial Code)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, and having considered the statutory auditors' special report provided for in article L. 225-40 of the French Commercial Code, approves said report and duly notes the agreements entered into and commitments made during prior financial years referred to in this report and that no agreement or new commitment was entered into during the year ended 31 December 2015.

### FIFTH RESOLUTION

*(Agreements referred to in article L. 225-42-1 of the French Commercial Code)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, and having considered the statutory auditors' special report, in accordance with the provisions of article L. 225-42-1 of the French Commercial Code duly notes and approves the agreement concluded with Thierry Le Hénaff and set out in said report, provided that he is reappointed as Chairman and Chief Executive Officer by the Board of Directors.

## 6TH RESOLUTION COMPOSITION OF THE BOARD OF DIRECTORS

*The purpose of the **6th resolution** is to **re-elect Thierry Le Hénaff**, Chairman and Chief Executive Officer, as a director for **a term of four years.***

*As part of the proposal to renew his term of office, the Board decided unanimously that the positions of Chairman and of Chief Executive Officer should continue to be combined. This decision was based on:*

- *the proven efficiency of Arkema's governance structure since its spin-off ten years ago. As part of the annual assessments of the Board of Directors, and notably the last one carried out in early 2016, the directors have regularly expressed their satisfaction with the current organization of the governance structure and with the Board's open and constructive discussions. The directors appreciate, in particular, their complete freedom of expression and the quality of the discussions, enhanced by the Board's diversity and its members' complementary skills;*
- *the existence of robust control mechanisms which include a very large majority of independent directors on the Board of Directors (82%), a very large majority of independent members on the various Committees of the Board of Directors, a close involvement of all members of the Board of Directors in the Group's strategy, notably during the annual strategy seminar, and finally limitations of the powers of the Chairman and Chief Executive Officer, who is required to inform the Board of Directors of the most significant transactions or submit them to the Board of Directors for prior approval; and*
- *the very positive achievements and high-quality performance of Thierry Le Hénaff in his position as Chairman and Chief Executive Officer, in a high level competitive environment and despite the volatile and contrasted economic environment. Thierry Le Hénaff successfully led the highly value accretive change in the Group's profile, repositioning it as a specialty chemicals player that ranks among the world leaders in advanced materials with the finalization in the last four years of several transforming projects, including the acquisition of Bostik, which has been smoothly integrated into the Group, the divestment of the vinyl business, and the successful start-up and ramp-up of the thiochemicals platform in Malaysia, which represents the largest industrial project ever carried out by the Group since its stock market listing.*

*In light of the above, the Board of Directors therefore reaffirmed its strong belief that the current governance structure remains the most appropriate and that it will enable the Group to pursue its in-depth transformation process which it has successfully implemented since its spin-off.*

*However, as part of the drive to constantly improve its governance, the Board of Directors also decided to appoint one of the independent directors to serve as Senior Independent Director. The primary role of the Senior Independent Director will be to oversee the efficient running of the Company's governance structure, and to assist, if so required, the Chairman and Chief Executive Officer in his relationships with shareholders on corporate governance matters. The Senior Independent Director's role and responsibilities are described in detail in the Board of Directors' Internal Rules available on the Company's website, www.arkema.com.*

*Information concerning Thierry Le Hénaff is set out in page 16 of this notice.*

### SIXTH RESOLUTION

*(Re-election of Thierry Le Hénaff as member of the Board of Directors)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, and having considered the Board of Directors' report and noting that the term of office as director of Thierry Le Hénaff expires on the date of this meeting, decides to re-elect him for a term of four (4) years expiring at the close of the annual general meeting to be held in 2020 to approve the financial statements for the year ending 31 December 2019.

## 7TH RESOLUTION ADVISORY VOTE OF THE SHAREHOLDERS ON THE COMPONENTS OF COMPENSATION OF THIERRY LE HÉNAFF

*In accordance with the recommendations of the AFEP-MEDEF Code, the code to which the Company refers, the purpose of the **7th resolution** is to submit to the advisory vote of the shareholders the components of compensation due or awarded in respect of the 2015 financial year to Thierry Le Hénaff, Chairman and Chief Executive Officer and sole executive director of the Company.*

*The components of compensation submitted to this vote are set out in the table on pages 16 to 18 of this notice.*

### SEVENTH RESOLUTION

*(Advisory vote of the shareholders on the components of compensation of Thierry Le Hénaff)*

The annual general meeting, consulted in accordance with section 24.3 of the AFEP-MEDEF Code (the Company's reference code pursuant to article L. 225-37 of the French Commercial Code), and voting in accordance with the quorum and majority requirements for ordinary general meetings, after considering the Board of Directors' report, votes in favor of the components of compensation due or awarded to Thierry Le Hénaff, Chairman and Chief Executive Officer, for the year ended 31 December 2015, as set out in said report.

## 8TH RESOLUTION SHARE BUYBACKS

***The purpose of the 8th resolution*** *is to renew the authorization granted to the Board of Directors by the annual general meeting on 2 June 2015 to purchase or arrange for the purchase of shares in the Company.*

*The purchase of shares may be carried out at any time,* ***except from the date a takeover bid for the Company's shares is filed by a third party and until the end of the offer period.***

***Main features of the proposed share buyback program:***

*Maximum purchase price per share: 95 euros*

*Overall maximum aggregate amount of funds that can be used to implement the share buyback program: 100 million euros*

*Maximum percentage of shares that can be bought back: 10% of the total amount of shares comprising the Company's share capital*

*Objectives of the share buyback program: any purpose permitted by law, and in the first place, the coverage of performance shares plans*

*Length of the authorisation: 18 months*

***Use of the previous authorisation:***

*At 31 December 2015, the Company owned 36,925 treasury shares that were all allocated for the purpose of covering the performance share plans put in place in order to incentivize and motivate the Group's employees. These treasury shares are used to vest performance shares without any dilutive impact for shareholders.*

*The detailed information related to the current and proposed share buyback programs is presented in paragraph 5.2.4 of the 2015 Reference Document.*

### EIGHTH RESOLUTION

*(Authorization granted to the Board of Directors to carry out a share buyback program for a period of 18 months)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having considered the Board of Directors' report, authorizes the Board of Directors to purchase or arrange for the purchase of shares in the Company in accordance with articles L. 225-209 *et seq.* of the French Commercial Code, European Council regulation no. 2273/2003 dated 22 December 2003 and Title IV of Book II of the general regulation of the French financial markets authority *(Autorité des marchés financiers* – AMF). The number of shares that may be held by the Company under this authorization at any given date may not be greater than 10% of the share capital. The 10% limit applies to the number of the Company's shares, which may be adjusted to take into account transactions that affect the share capital occurring after the present annual general meeting under the following conditions:

**(i)** the maximum purchase price is 95 euros per share.

However, the Board of Directors will be able to adjust the purchase price to account for the impact on the share price resulting from transactions such as a capitalization of share premiums, reserves or earnings giving rise either to an increase in the par value of the shares or the issuance and award of free shares, a stock split or reverse stock split, or any other transaction affecting shareholders' equity;

**(ii)** the maximum amount that may be dedicated to this share buyback program will be 100 million euros;

**(iii)** under no circumstances can the Company hold, directly or indirectly, more than 10% of its share capital as a result of the purchases made pursuant to this authorization;

**(iv)** the shares redeemed and held by the Company shall have no voting or dividend rights;

**(v)** such shares may be purchased or transferred at any time, except as from the date a takeover bid for the Company's shares is filed by a third-party and until the end of the offer period, under the conditions and within the limits, particularly as regards volume and price, permitted by law at the date of the transaction in question, by any and all means, including on the market or over the counter, by way of block trades or by way of warrants traded on a regulated or over-the-counter market, under the conditions permitted by the market authorities and at the times the Board of Directors or its delegated representative deem appropriate.

The annual general meeting decides that these share purchases can be made for any purpose permitted by law either now or in the future, and notably for the following purposes:

**(i)** implementing market practices allowed by the AMF such as (a) purchasing shares in the Company in order to hold them and subsequently tender them in exchange or as payment as part of any potential external growth transactions, it being specified that the shares acquired for this purpose may not exceed 5% of the Company's share capital at the time of the acquisition or (b) purchasing or selling shares within the scope of a liquidity agreement entered into with an investment services provider and compliant with the code of conduct approved by the AMF, as well as (c) any market practice subsequently permitted by the AMF or by law;

**(ii)** putting in place and complying with obligations and in particular delivering shares upon the exercise of rights attached to securities giving immediate or future access by any means to shares in the Company, as well as carrying out any hedging transactions in respect of the Company's obligations regarding such securities, in accordance with the conditions provided for by the market authorities and at the times the Board of Directors or its delegated representative deems appropriate;

**(iii)** covering stock option plans granted to employees or executive directors of the Company or its Group;

**(iv)** granting free shares in the Company to employees or executive directors of the Company or its Group, particularly under the conditions provided for in articles L. 225-197-1 *et seq.* of the French Commercial Code;

**(v)** offering employees the opportunity to acquire shares, whether directly or *via* a company savings plan, under the terms provided for by law and notably articles L. 3332-1 *et seq.* of the French Labor Code; and

**(vi)** canceling all or part of the purchased shares in order to reduce the Company's share capital.

The annual general meeting grants full powers to the Board of Directors, with the possibility to sub-delegate such powers under the conditions provided for by law, to ensure the implementation of this authorization, and in particular to set the terms and conditions thereof, carry out the share buyback program and notably place all stock market orders, enter into any agreements, prepare and amend any documents, in particular information documents, carry out all formalities, including assigning or reassigning the purchased shares to the various purposes pursued, make all declarations to the AMF and any other bodies and, in general, do whatever may be necessary.

The annual general meeting decides that this authorization is granted for a period of eighteen (18) months from the date of this annual general meeting. It renders ineffective the unused portion of any prior authorization granted for the same purpose and in particular that given by the annual general meeting of 2 June 2015 in its 10th resolution.

## Resolutions proposed to the extraordinary general meeting

### 9TH RESOLUTION SHARE CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS

*The purpose of the **9th resolution** is to **renew the delegation of authority**, granted to the Board of Directors by the annual general meeting on 15 May 2014, to **increase the Company's share capital** through the issue, **with preferential subscription rights,** of shares in the Company or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company.*

*The **maximum nominal amount** of the capital increases that may be carried out pursuant to this delegation of authority would be **three hundred and seventy-two million euros**, i.e., close to **50% of the share capital** on the date of this annual general meeting, and **seven hundred and fifty million euros** for debt securities giving immediate or future access to shares in the Company that may be issued accordingly.*

*These operations may be carried out at any time, **except from the date a takeover bid for the Company's shares is filed by a third party and until the end of the offer period**.*

*This delegation of authority would be granted for a period of **twenty-six months** from the date of this annual general meeting and would render ineffective, from this date, the delegation of authority previously granted for the same purpose.*

#### NINTH RESOLUTION

*(Delegation of authority granted to the Board of Directors for a period of 26 months, to issue shares in the Company and/or securities giving immediate or future access to shares in the Company, with preferential subscription rights)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, and in particular articles L. 225-129-2, L. 225-132, and L. 228-91 *et seq.*:

**(i)** authorizes the Board of Directors to carry out one or more capital increases *via* the issue, with preferential subscription rights, in France or other countries, of shares or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company, in the proportion and at the times that it deems appropriate, including warrants, issued against payment or free of consideration, which can be subscribed either in cash or by offsetting receivables;

**(ii)** decides that the maximum nominal amount of the increase in the Company's capital resulting immediately or in the future from all the issues made pursuant to this delegation is three hundred and seventy-two (372) million euros, which will be included in the overall limit provided for in the 15th resolution and which may be increased, where applicable, by the additional nominal amount of the shares to be issued in order to preserve the rights of holders of securities and other rights granting access to shares in the Company, in accordance with the law and any applicable contractual provisions;

**(iii)** decides that the maximum nominal amount of debt securities giving immediate or future access to shares in the Company that may be issued pursuant to this resolution is seven hundred and fifty (750) million euros or the euro equivalent in a foreign currency or unit of account at the date of the decision to carry out the issue. This amount (a) does not include any redemption premium(s) in excess of any existing par value and (b) applies to all the debt securities that may be issued pursuant to the 9th to 14th resolutions submitted to this annual general meeting, but (c) is independent of, and separate from, the amount of the debt securities that the Board of Directors may authorize or decide to issue in accordance with article L. 228-40 of the French Commercial Code;

**(iv)** decides that existing shareholders shall have, in proportion to their shareholding, preferential rights to subscribe for the shares and securities issued pursuant to this resolution and that the Board of Directors may grant shareholders a right to subscribe for additional shares or securities corresponding to their subscription rights and within the limit of their requests;

**(v)** decides that, if subscriptions made by shareholders in proportion to their shareholding and, where applicable, for additional shares or securities, have not covered the full number of shares or securities issued, the Board of Directors will be able to make use of all or certain of the possibilities provided for by article L. 225-134 of the French Commercial Code in the order it chooses;

**(vi)** duly notes that this delegation automatically entails a waiver by the shareholders of their preferential right to subscribe for Company shares resulting from securities giving access to shares in the Company that could be issued pursuant to this delegation;

**(vii)** decides that the Board of Directors may not use this delegation of authority without prior authorization from the general shareholders' meeting from the date a takeover bid for the Company's shares is filed by a third party until the end of the offer period;

**(viii)** grants full powers to the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf, to *inter alia:*

- set the amount of the issues, the issue price, the nature and characteristics of the securities to be issued, as well as the other terms and conditions of the issue thereof,
- carry out the planned issues and, where applicable, suspend them,
- deduct the fees for admission to trading on a regulated market and the issue costs of the Company's shares from the share premium amount related to such transactions and withhold the necessary sums to bring the legal reserve up to one-tenth of the new share capital after each capital increase, and
- generally, enter into any agreement, in particular in order to successfully complete the planned issues, take all steps and carry out all appropriate formalities for the issue, the listing and financial servicing of the shares and securities issued pursuant to this delegation of authority as well as the exercise of the rights attached thereto.

The annual general meeting decides that this delegation of authority is granted to the Board of Directors for a period of twenty-six (26) months from the date of this annual general meeting. It renders ineffective the unused portion of any prior delegation of authority granted for the same purpose and in particular that given by the annual general meeting of 15 May 2014 in its 14th resolution.

## 10TH TO 13TH RESOLUTIONS SHARE CAPITAL INCREASES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

*In order to give to the Board of Directors the possibility to carry out issues that may be placed with investors interested in certain types of financial products, the Board of Directors proposes that you grant it delegations of authority to carry out issues without preferential subscription rights.*

*The purpose of the **10th resolution** is to **renew the delegation of authority** granted to the Board of Directors by the annual general meeting on 15 May 2014 to **increase the Company's share capital** through the issue, **without preferential subscription rights, by means of a public offering**, of shares in the Company or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company. The Board would have thus the possibility to carry out one or several convertible bond issues. Shareholders would benefit from a **mandatory priority subscription period of five days**.*

*The **maximum nominal amount** of the capital increases that may be carried out pursuant to this delegation of authority would be **10% of the share capital** on the date of this annual general meeting, and **seven hundred and fifty million euros** for debt securities giving immediate or future access to shares in the Company that may be issued accordingly.*

*The purpose of the **11th resolution** is to **renew the delegation of authority**, granted to the Board of Directors by the annual general meeting on 15 May 2014, to **increase the Company's share capital** through the issue, **without preferential subscription rights, by means of an offering referred to in article L. 411-2 II of the French Monetary and Financial Code**, of shares in the Company or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company.*

*These issues may only be made to **finance a recapitalization operation related to an external growth transaction or to carry out a convertible bond issue.***

*The **maximum nominal amount** of the capital increases that may be carried out pursuant to this delegation of authority would be **10% of the share capital** on the date of this annual general meeting, and **seven hundred and fifty million euros** for debt securities giving immediate or future access to shares in the Company that may be issued accordingly.*

*The issue price of the shares would be at least equal to the weighted average of the Arkema share price for the three trading days prior to the date of setting the issue price, less **a discount of 5%.***

*The purpose of the **12th resolution** is to authorize the Board of Directors, in the event of capital increases made under the 10th and 11th resolutions, to set the issue price of the shares based on terms which differ from the ones provided for in these resolutions and thus to set the issue price using either the volume weighted average price on Euronext Paris on the last trading day preceding the day the issue price is set, or using the volume weighted average price on Euronext Paris determined during the trading session when the issue price is set less, in either case, a maximum discount of 5%.*

*The **maximum nominal amount** of capital increases resulting from the implementation of this resolution is **10% of the share capital over a 12-month period** and is included in the limitation provided for in the 10th or 11th resolution as applicable.*

*The purpose of the **13th resolution** is to grant the Board of Directors a delegation of authority to **increase the Company's share capital, without preferential subscription rights,** as **compensation for contributions in kind** granted to the Company in the form of another company's shares or securities carrying rights to shares.*

*The **maximum nominal amount** of the capital increases that may be carried out pursuant to this delegation of authority would be **10% of the share capital** on the date of this annual general meeting and will be included in the overall limit provided for in the 11th resolution.*

***These delegations of authority may not be used from the date a takeover bid for the Company's shares is filed by a third party and until the end of the offer period.***

*All these delegations of authority would be granted for a period of **twenty-six months** from the date of this annual general meeting and would render ineffective, from this date, the delegations of authority previously granted for the same purpose.*

### TENTH RESOLUTION

*(Delegation of authority granted to the Board of Directors for a period of 26 months, to issue shares in the Company and/or securities giving immediate or future access to shares in the Company, by means of a public offering, without preferential subscription rights but with a five day priority period)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, and in particular articles L. 225-129-2, L. 225-135, L. 225-136, and L. 228-91 *et seq.*:

(i) authorizes the Board of Directors to carry out one or more capital increases *via* the issue, without preferential subscription rights, by means of a public offering in France or other countries, of shares or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company, in the proportion and at the times that it deems appropriate, which can be subscribed either in cash or by offsetting receivables;

(ii) decides to cancel the shareholders' preferential subscription rights to the shares or other securities to be issued pursuant to this resolution;

(iii) decides that the shareholders will benefit, in accordance with the provisions of article L. 225-135 of the French Commercial Code and without giving rise to a negotiable right, from a priority period of five (5) days for subscription in proportion to their shareholding and for any additional subscriptions; any remaining unsubscribed securities may be the subject of a public placement in France or any other country, or on the international market;

**(iv)** decides that the maximum nominal amount of the capital increase resulting immediately or in the future from all the issues made pursuant to this delegation is 10% of the Company's share capital at the date of this annual general meeting, which will be included in the overall limit provided for in the 15th resolution and that may be increased, where applicable, by the additional nominal amount of the shares to be issued in order to preserve the rights of holders of securities and other rights granting access to shares in the Company, in accordance with the law and any applicable contractual provisions;

**(v)** decides that the maximum nominal amount of debt securities giving immediate or future access to shares in the Company that may be issued pursuant to this resolution is seven hundred and fifty (750) million euros or the euro equivalent in a foreign currency or unit of account at the date of the decision to carry out the issue. This amount (a) does not include any redemption premium(s) in excess of any existing par value and (b) will be included in the limit of seven hundred and fifty (750) million euros for the issue of debt securities pursuant to the 9th to 14th resolutions submitted to the present annual general meeting, but (c) is independent of, and separate from, the amount of the debt securities that the Board of Directors may authorize or decide to issue in accordance with article L. 228-40 of the French Commercial Code;

**(vi)** decides that if the subscriptions, including where applicable those by shareholders, have not covered the full amount of the issue, the Board of Directors will be able to limit the amount of the transaction under the conditions provided for by article L. 225-134 of the French Commercial Code;

**(vii)** duly notes that this delegation automatically entails a waiver by the shareholders of their preferential right to subscribe for Company shares resulting from securities that could be issued pursuant to this delegation;

**(viii)** decides that the issue price of shares or securities granting access to share capital issued pursuant to this resolution will be set on the basis of the conversion or exchange rate to ensure that the issue price of the shares that may be created by conversion, exchange or in any other manner, shall be at least equal to the minimum amount provided for by the laws and regulations in force at the time of use of this delegation of authority (at this date, the weighted average of the Arkema share price for the three trading days prior to the date of setting the issue price, less a discount of 5%) after correction, if any, of this amount to take into account the difference in the dividend entitlement date;

**(ix)** decides that the Board of Directors may not use this delegation of authority without prior authorization from the general shareholders' meeting from the date a takeover bid for the Company's shares is filed by a third party until the end of the offer period;

**(x)** grants full powers to the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf, to *inter alia:*

- set the amount of the issues, the issue price, the nature and characteristics of the securities to be issued, as well as the other terms and conditions of the issue thereof,
- carry out the planned issues and, where applicable, suspend them,
- deduct the fees for admission to trading on a regulated market and the issue costs of the Company's shares from the share premium amount related to such transactions and withhold the necessary sums to bring the legal reserve up to one-tenth of the new share capital after each capital increase, and
- generally, enter into any agreement, in particular in order to successfully complete the planned issues, take all steps and carry out all appropriate formalities for the issue, the listing and financial servicing of the shares and securities issued pursuant to this delegation of authority as well as the exercise of the rights attached thereto.

The annual general meeting decides that this delegation of authority is granted to the Board of Directors for a period of twenty-six (26) months from the date of this annual general meeting. It renders ineffective the unused portion of any prior delegation of authority granted for the same purpose and in particular that given by the annual general meeting of 15 May 2014 in its 15th resolution.

## ELEVENTH RESOLUTION

*(Delegation of authority granted to the Board of Directors for a period of 26 months, to increase the share capital through the issue of shares in the Company and/or securities giving immediate or future access to shares in the Company, without preferential subscription rights, by means of an offering referred to in article L. 411-2 II of the French Monetary and Financial Code)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, and in particular articles L. 225-129-2, L. 225-135, L. 225-136, and L. 228-91 *et seq.:*

**(i)** authorizes the Board of Directors to carry out one or more capital increases *via* the issue, without preferential subscription rights, in France or any other country, of shares or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company, in the proportion and at the times that it deems appropriate, by means of an offering referred to in article L. 411-2 II of the French Monetary and Financial Code, which may be subscribed either in cash or by offsetting due and payable receivables;

**(ii)** decides that these issues may only be carried out to finance a recapitalization operation related to an external growth transaction, or to carry out a convertible bond issue;

**(iii)** decides to cancel the shareholders' preferential subscription rights to the shares or other securities to be issued pursuant to this resolution;

**(iv)** decides that the maximum nominal amount of the capital increases that may be carried out, immediately or in the future, pursuant to this delegation of authority is 10% of the Company's share capital at the date of this annual general meeting, which is included in the overall limit provided for in the 15th resolution below and that may be increased, where applicable, by the additional nominal amount of the shares to be issued in order to preserve the rights of holders of securities and other rights granting access to shares in the Company, in accordance with the law and any applicable contractual provisions;

**(v)** decides that the maximum nominal amount of debt securities giving immediate or future access to shares in the Company that may be issued pursuant to this resolution is seven hundred and fifty (750) million euros or the euro equivalent in a foreign currency or unit of account at the date of the issue. This amount (a) does not include any redemption premium(s) in excess of any existing par value and (b) will be included in the limit of seven hundred and fifty (750) million euros for the issue of debt securities pursuant to the 9th to 14th resolutions submitted to the present annual general meeting, but (c) is independent of, and separate from, the amount of the debt securities that the Board of Directors may authorize or decide to issue in accordance with article L. 228-40 of the French Commercial Code;

**(vi)** decides that if the subscriptions, including where applicable those by shareholders, have not covered the full amount of the issue, the Board of Directors will be able to limit the amount of the transaction under the conditions provided for by article L. 225-134 of the French Commercial Code;

**(vii)** duly notes that this delegation automatically entails a waiver by the shareholders of their preferential right to subscribe for Company shares resulting from securities giving access to shares in the Company that could be issued pursuant to this resolution;

**(viii)** decides that the issue price of shares or securities granting access to share capital issued pursuant to this resolution will be set on the basis of the conversion or exchange rate to ensure that the issue price of the shares that may be created by conversion, exchange or in any other manner, shall be at least equal to the minimum amount provided for by the laws and regulations in force at the time of use of this delegation of authority (at this date, the weighted average of the Arkema share price for the three trading days prior to the date of setting the issue price, less a discount of 5%) after correction, if any, of this amount to take into account the difference in the dividend entitlement date;

**(ix)** decides that the Board of Directors may not use this delegation of authority without prior authorization from the general shareholders' meeting from the date a takeover bid for the Company's shares is filed by a third party until the end of the offer period;

**(x)** grants full powers to the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf, to implement this delegation of authority and to *inter alia:*

- decide on the capital increase, set the amount of the issues, the issue price, the nature and characteristics of the shares or other securities to be issued, as well as the other terms and conditions of the issue thereof,
- carry out the planned issues and, where applicable, suspend them,
- deduct the fees for admission to trading of the Company's shares on a regulated market and the costs of capital increases from the share premium amount related to such transactions and withhold the necessary sums to bring the legal reserve up to one-tenth of the new share capital after each share issue, and
- generally, enter into any agreement, in particular to successfully complete the planned issues, take all steps and carry out all appropriate formalities for the issue, the listing and financial servicing of the shares and securities issued pursuant to this delegation of authority as well as the exercise of the rights attached thereto.

The annual general meeting decides that this delegation of authority is granted to the Board of Directors for a period of twenty-six (26) months from the date of this annual general meeting. It renders ineffective the unused portion of any prior delegation of authority granted for the same purpose and in particular that given by the annual general meeting of 15 May 2014 in its 16th resolution.

### TWELFTH RESOLUTION

*(Authorization granted to the Board of Directors for a period of 26 months, in the event of the issue of shares or securities giving access to shares in the Company, without preferential subscription rights, to set the issue price in accordance with the terms set forth by the annual general meeting up to a maximum of 10% of the share capital over a 12-month period)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with article L. 225-136 of the French Commercial Code:

**(i)** authorizes the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf, in the event of implementation of the 10th and 11th resolutions, to deviate from the terms for setting the issue price for ordinary shares outlined in the aforementioned resolutions and to set the price based on the following terms:

- the issue price of shares or securities granting access to share capital to be issued under the aforementioned resolutions will, at the Board of Directors' discretion, be equal to: (i) the volume weighted average price on the Euronext Paris regulated market on the last trading day preceding the day the issue price was set, or (ii) the volume weighted average price on the Euronext Paris regulated market determined during the trading session when the issue price is set less, as the case may be, in either case a maximum discount of 5%,
- the issue price of securities granting immediate or future access to the Company's share capital shall be set to ensure that the amount received immediately by the Company, increased where applicable by the amount that it is likely to receive at a later date for each share issued as a result of the securities issued, shall be at least equal to the amount mentioned above,
- the maximum nominal amount of capital increases resulting from the implementation of this resolution is 10% of the share capital over a 12-month period, and is included in the limit provided for in the 10th or 11th resolutions as applicable and in the overall limit provided for in the 15th resolution hereafter; and

(ii) decides that the Board of Directors may not use this delegation of authority without prior authorization from the general shareholders' meeting from the date a takeover bid for the Company's shares is filed by a third party until the end of the offer period.

This authorization is granted for a period of twenty-six (26) months from the date of this annual general meeting.

### THIRTEENTH RESOLUTION

*(Delegation of authority granted to the Board of Directors to issue shares in the Company, within the limit of 10% of total share capital, as compensation for contributions in kind)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, and in particular article L. 225-147:

(i) gives full powers to the Board of Directors to carry out one or more capital increases *via* the issue of shares or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company, as compensation for contributions in kind granted to the Company in the form of another company's shares or securities carrying rights to shares, when the provisions of article L. 225-148 do not apply;

(ii) decides that the maximum nominal amount of the capital increase that may be carried out, immediately or in the future, pursuant to this delegation of authority is 10% of the Company's share capital at the date of this annual general meeting, which will be included in the overall limit on the nominal amount provided for in the 11th resolution of this annual general meeting;

(iii) duly notes that this delegation automatically entails a waiver by the shareholders of their preferential right to subscribe for Company shares resulting from securities giving access to shares in the Company that could be issued pursuant to this resolution;

(iv) decides that the Board of Directors, or any person duly authorized to act on its behalf, will have full powers to implement this delegation of authority;

(v) decides that the Board of Directors may not use this delegation of authority without prior authorization from the general shareholders' meeting from the date a takeover bid for the Company's shares is filed by a third party until the end of the offer period.

The annual general meeting decides that this delegation of authority is granted to the Board of Directors for a period of twenty-six (26) months from the date of this annual general meeting.

## 14TH RESOLUTION GREEN SHOE

*The purpose of the **14th resolution** is to authorize the Board of Directors to increase the number of shares issued pursuant to the 9th to 13th resolutions, within **thirty days of the close of the subscription period** for the initial issue, **at the same price** as the one of the initial issue and **within the limit of 15%** of the initial issue subject to compliance with the limit provided for in the resolution authorizing the issue and the global limits provided in the 15th resolution.*

*This delegation of authority would be granted for a period of **twenty-six months** from the date of this annual general meeting.*

### FOURTEENTH RESOLUTION

*(Authorization granted to the Board of Directors to increase the number of shares to be issued in the event of excess demand)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with article L. 225-135-1 of the French Commercial Code:

(i) authorizes the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf, to decide, within the scope of the use of the delegations of authority granted by the 9th to 13th resolutions set out above and within thirty days of the close of the subscription period for the initial issue, to increase the number of shares to be issued, within the limit of 15% of the initial issue and at the same price as that applied for the initial issue and subject to compliance with the limit provided for in the resolution authorizing the issue;

(ii) decides that the Board of Directors may not use this delegation of authority without prior authorization from the general shareholders' meeting from the date a takeover bid for the Company's shares is filed by a third party until the end of the offer period;

(iii) gives full powers to the Board of Directors to implement this authorization in accordance with the law and the regulations.

The annual general meeting decides that this authorization is granted for a period of twenty-six (26) months from the date of this annual general meeting. It renders ineffective the unused portion of any prior authorization granted for the same purpose and in particular that given by the annual general meeting of 15 May 2014 in its 17th resolution.

## 15TH RESOLUTION OVERALL LIMIT OF SHARE CAPITAL INCREASES

*The purpose of the **15th resolution** is to **cap the maximum nominal amount of the capital increases** to be carried out with or without preferential subscription rights, immediately or in the future, pursuant to the 9th to 14th resolutions at **three hundred and seventy-two million euros**, i.e., close to **50% of the Company's share capital at the date of this annual general meeting**. The maximum nominal amount of capital increases carried out pursuant to the 11th to 13th resolutions would be capped at **10% of the Company's share capital at the date of this annual general meeting**.*

### FIFTEENTH RESOLUTION

*(Overall limit of authorizations to increase the Company's share capital immediately and/or in the future)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meeting and having considered the Board of Directors' report, decides to set:

- the maximum nominal amount of the immediate or future capital increases that may be carried out pursuant to the delegations of authority and authorizations granted by the 9th to 14th resolutions at three hundred and seventy-two (372) million euros, *i.e.*, approximately 50% of the share capital on the date of this annual general meeting;
- the overall limit for issues without preferential subscription rights that may be carried out pursuant to the delegations of authority and authorizations granted by the 11th to 13th resolutions, at 10% of the share capital on the date of this annual general meeting;

on the understanding that, where applicable, the nominal amount of the shares to be issued pursuant to adjustments made to protect holders of rights attached to securities granting access to Company shares shall be added to these nominal amounts.

## 16TH RESOLUTION SHARE CAPITAL INCREASES RESERVED TO EMPLOYEES

*Since 2008, the Group launched every two years a share capital increase reserved to its employees and former employees who are members of a company savings plan. Following the latest operation made early 2016, the Group's employees and former employees own more than 6% of the Company's share capital. The Group intends to pursue this dynamic employee share ownership policy by regularly offering its employees the opportunity to purchase Arkema shares with preferential terms.*

*The purpose of the **16th resolution** is **to renew the delegation of authority** granted to the Board of Directors by the annual general meeting on 15 May 2014 to carry out **issues**, **without preferential subscription rights**, of shares in the Company and/or securities giving access to shares in the Company, **reserved to members of a company savings plan.***

*The **maximum nominal amount of the capital increases** that may be carried out pursuant to this delegation of authority would be **12 million euros**, i.e., **1.6% of the Company's share capital** at 31 December 2015.*

*The issue price would be equal to the average of the Arkema share's Euronext Paris opening trading prices for the twenty trading days prior to the date of the decision setting the subscription period opening date, less the maximum 20% discount provided for by law.*

*This delegation of authority would be granted for a period of **twenty-six months** from the date of this annual general meeting and would render ineffective, from this date, the delegation of authority previously granted for the same purpose.*

### SIXTEENTH RESOLUTION

*(Delegation of authority granted to the Board of Directors to carry out share issues reserved for members of a company savings plan (Plan d'Épargne d'Entreprise), without preferential subscription rights)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with articles L. 225-129, L. 225-129-2, L. 225-129-6, L. 228-92, L. 225-138 I and II and L. 225-138-1 of the French Commercial Code and articles L. 3332-18 *et seq.* of the French Labor Code:

(i) authorizes the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf, to carry out on one or more capital increases *via* the issue, in the proportions and at the times it deems appropriate, of shares or securities giving access to existing shares or shares to be issued in the Company, reserved for employees and former employees of the Company and of any French or foreign related companies or groups within the meaning of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code, who are members of a company savings plan (hereinafter, the "**Beneficiaries**");

(ii) decides to cancel the shareholders' preferential subscription rights to the shares or securities giving access to shares that will be issued pursuant to this delegation of authority and, where applicable, to the shares or other securities granted free of consideration pursuant to this delegation of authority;

(iii) duly notes that this delegation automatically entails a waiver by the shareholders of their preferential right to subscribe for Company shares resulting from securities giving access to shares in the Company that could be issued pursuant to this delegation;

**(iv)** decides that within the limit of the applicable legal and regulatory provisions, the Board of Directors may provide for the free grant of new or existing shares or of securities giving access to existing shares or shares to be issued in the Company, in order to provide the employer's additional contribution or, where applicable, the discount;

**(v)** decides that the maximum nominal amount of the increase in the Company's capital resulting immediately or in the future from all the issues made pursuant to this delegation of authority is twelve (12) million euros. This limit does not include the nominal amount of any shares issued pursuant to the adjustment to protect the holders of rights attached to securities giving access to shares in the Company, in accordance with the law and any applicable contractual provisions;

**(vi)** decides that the subscription price of the shares to be issued will be equal to the average of the Arkema share's Euronext Paris opening trading prices for the twenty trading days prior to the date of the decision setting the subscription period opening date, less the maximum discount provided for by law on the date of the Board of Directors' decision; the Board of Directors may however, if it considers it appropriate, reduce or eliminate the abovementioned discount, in order to take into account, in particular, local legal requirements applicable in the event of a share offering to members of a company savings plan on the international market or in a foreign country;

**(vii)** decides that the Board of Directors will be able to grant free shares or securities giving access to shares in the Company to replace all or part of the discount mentioned above. The total benefit resulting from this grant may not exceed the limits provided for by the laws or regulations;

**(viii)** decides that the Board of Directors will be able to provide for the free grant of existing shares or securities giving access to existing shares in the Company on condition that the total benefit resulting from this grant and, where applicable, the discount mentioned above does not exceed the limits provided for by law, and that, taking into account the equivalent monetary value of the free shares or of securities giving access to shares in the Company, assessed at the subscription price, the limits provided for by law are not exceeded.

The annual general meeting decides that the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf, will have full powers to implement this resolution and in particular to:

- decide on the characteristics, amount and terms and conditions of any issue or free grant of shares;
- determine that the subscriptions can be carried out directly by the Beneficiaries or *via* a mutual fund or any other collective undertaking authorized by the regulations;
- establish, under the conditions required by law, the list of companies or groups whose employees and former employees will be able to subscribe to the shares or securities issued and, where applicable, receive the shares or securities granted free of consideration;
- determine the nature and terms and conditions of capital increases, and the terms and conditions of the issue or the free grant;
- set the subscription price of the shares and the length of the subscription period;
- determine the length of service conditions that must be met by the Beneficiaries of new shares or securities resulting from the share capital increase(s) or of the shares awarded by each free grant and covered by this resolution;
- determine the terms and conditions of the issues of shares or securities that will be made pursuant to this delegation of authority and, in particular, their dividend entitlement date and the terms and conditions for paying them up;
- determine the opening and closing dates of the subscription periods and receive subscriptions;
- record the completion of the share capital increase for the amount of the shares that will actually be subscribed;
- determine, where appropriate, the nature of the free shares, as well as the terms and conditions of the grant;
- determine, where appropriate, the amount of the sums to be capitalized within the limit set above, the shareholders' equity account(s) from which they will be deducted and the dividend entitlement date of the shares created;
- at its sole discretion and as it deems appropriate, charge the costs of capital increases against the share premium amounts relating thereto and withhold the necessary sums to bring the legal reserve up to one-tenth of the new share capital after each capital increase;
- take all necessary measures to complete the capital increases, carry out the related formalities, particularly those concerning the listing of the shares created, amend the Articles of Association accordingly, and generally do whatever may be necessary.

The annual general meeting decides that this authorization is granted for a period of twenty-six (26) months from the date of this annual general meeting. It renders ineffective the unused portion of any prior delegation of authority granted for the same purpose and in particular that given by the annual general meeting of 15 May 2014 in its 19th resolution.

## 17TH RESOLUTION PERFORMANCE SHARES

*The purpose of the **17th resolution** is to **renew the authorization** granted to the Board of Directors by the annual general meeting on 4 June 2013, to grant **performance shares** to certain Group's employees and eligible executive directors in order to incentivize them and involve them more closely to the Group's future growth as well as its stock market performance. Following the acquisition of Bostik, around 1,100 employees are concerned within the Group.*

*The **total number** of the Company's existing shares or shares to be issued which can be awarded pursuant to this authorization, granted for a **period of thirty-eight months, may not exceed 1,450,000 shares,** i.e., **less than 2% of the share capital at the date of this annual general meeting**. In line with past practice and the general principles defined for the long-term stock-based compensation, the vested performance shares will be existing shares acquired under the share buyback program thus avoiding any dilution for shareholders.*

*As it was already the case for the previous authorization, all the performance shares that will be granted to the Chairman and Chief Executive Officer and to the other members of the Executive Committee, pursuant to the new authorization, will be fully subject to a condition of presence within the Group and to demanding performance conditions. Same conditions will apply to all the shares granted to other beneficiaries when representing more than 100 shares, these grants being fully subject to performance conditions.*

***Use of the previous authorization:***

*Pursuant to the authorization previously granted by the annual general meeting on 4 June 2013, the Board of Directors awarded as part of the 2013, 2014 and 2015 plans, a total of 887,238 performance shares, i.e., 1.41% of the Company's share capital at the date of this annual general meeting. Performance shares are granted every year in November and no shares have been granted since 1 January 2016.*

*To take into account some expectations of institutional investors, the Board of Directors has strengthened since 2013 certain conditions and principles applicable to performance share plans as follows:*

- *to align the interests of the holders of performance share rights even more closely with those of the shareholders, the Board of Directors introduced as from 2014 a third criterion related to the Total Shareholder Return (TSR) compared with a peer group. In 2015, it also replaced the EBITDA margin criterion by a criterion on cash generation fully in line with the Group's target to increase its EBITDA to cash conversion rate announced at the Capital Markets Day in June 2015;*
- *the allocation scales have been further strengthened over the period, notably the one used for the TSR criterion;*
- *since 2015, performance share rights holders are rewarded if the Group outperforms its targets; if any of the targets are significantly exceeded, the maximum vesting rate for each of the three criteria may range from 120% to 130% depending on the criterion; however, in all cases the number of shares received will not exceed 100% of the award;*
- *a maximum percentage of rights that can be awarded to the Chairman and Chief Executive Officer in respect of any annual performance share plan was introduced; and*
- *awards without performance conditions have been limited. Only allocations representing a maximum of 100 shares are not subject to any performance condition. For beneficiaries receiving more than 100 performance shares, the share grants are fully subject to performance criteria.*

*Finally, it shall be noted that the targets set for all these criteria are fully consistent with the medium and long-term targets announced to the financial markets and are similar to the targets set internally, thus reinforcing the level of requirements of these performance conditions.*

*Detailed information on all the plans put in place and on the holding requirements set for the Chairman and Chief Executive Officer and the members of the Group's Executive Committee as long as they remain in office is included in sections 3.5, 3.4.3.3 and 3.4.2.1 of the 2015 Reference Document.*

***Principles to be applied as part of the renewal of the authorization:***

*The Board of Directors has confirmed the stock-based compensation policy described above partially and in section 3.5 of the 2015 Reference Document, and defined the additional following principles effective from 2016:*

- ***the vesting period** applicable for performance shares awarded to the Chairman and Chief Executive Officer and the members of the Executive Committee would be of three years, and would be followed by a lock-up period of two years, such that **a total of five years would elapse between the grant date and the date when restrictions on the sale of the shares would be lifted;***
- *the reward for outperformance introduced in 2015 if the Group significantly exceeds its targets, with the maximum vesting rate for each of the three criteria ranging from 120% to 130% depending on the criterion, may lead to a global allocation representing up to 110% of the grant;*
- ***rights awarded to the Chairman and Chief Executive Officer** in respect of annual performance share plans **may not exceed 10% of all rights awarded in any annual plan** (versus 12% previously).*

## SEVENTEENTH RESOLUTION

*(Authorization granted to the Board of Directors for a period of 38 months, to award free shares in the Company, subject to performance conditions, and up to the limit of 1,450,000 shares i.e., less than 2% of the share capital)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorizes the Board of Directors to award existing shares or shares to be issued in the Company free of consideration, on one or more occasions, to grantees or categories of grantees determined by the Board of Directors among the employees and/or eligible executive directors (within the meaning of article L. 225-197-1.II of the French Commercial Code) of the Company or related companies or groups pursuant to article L. 225-197-2 of the French Commercial Code;
2. decides that the free shares granted to the aforementioned eligible executive directors of the Company and Executive Committee members shall be subject to at least two performance criteria (one internal criterion and one external criterion) decided by the Board of Directors, on the basis of which the number of vested shares shall be determined. These criteria shall be assessed over a minimum period of three financial years;
3. decides that, pursuant to this authorization, the total grant of the Company's existing shares or shares to be issued may not exceed 1,450,000 shares (*i.e.*, less than 2% of the share capital at the date of this annual general meeting). This limit is fixed without taking into account the adjustments that may be made to preserve the rights of holders of securities giving access to shares in the Company, in accordance with the applicable legal and regulatory provisions or any contractual provisions;
4. decides that the Board of Directors shall determine, under the conditions required by law, at the time of each grant:
   - (i) the vesting period of the granted shares, which shall last at least one year, and
   - (ii) the lock-up period for grantees following the vesting of the shares, which for all or some of the shares shall be a minimum of one year, with the exception of shares with a vesting period of at least two years, for which the lock-up period can be eliminated or shortened;
5. decides that the shares awarded to grantees will vest before the end of the aforementioned vesting period in the event of second or third category disability within the meaning of article L. 341-4 of the French Social Security Code *(Code de la sécurité sociale)*, and that in the event of the grantee's death, his or her heirs may request the vesting of the shares within six months of the date of death; these shares will be freely transferable;
6. decides that the existing shares that can be granted pursuant to this resolution shall be acquired by the Company, either within the framework of article L. 225-208 of the French Commercial Code, or, if applicable, through the share buyback program authorized by the general shareholders meeting pursuant to article L. 225-209 of the French Commercial Code;
7. acknowledges that in the event of an issue of free shares, at the end of the vesting period this authorization shall entail a capital increase through incorporation of reserves, profits or premiums in favor of the grantees and a waiver by the shareholders of (i) their preferential subscription rights to the shares that will be issued in the course of the vesting of the shares, (ii) any right to the free shares granted on the basis of this delegation of authority, and (iii) any right to the amount of the reserves and premiums against which, if applicable, the issuance of the new shares shall be charged;
8. grants full powers to the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf within the abovementioned limits, to implement this authorization and in particular to:
   - (i) determine whether the free shares being granted exist or must be issued,
   - (ii) determine the identity of the grantees or the category or categories of grantees, the grant criteria, the number of shares granted to each of them, the terms and conditions for the share grant and, in particular, the vesting and lock-up periods,
   - (iii) define the performance criteria, in particular for the shares granted to eligible executive directors of the Company and Executive Committee members,
   - (iv) for the free shares granted to eligible executive directors of the Company, decide either that they cannot be sold by the interested parties before they cease to hold office, or stipulate the quantity of free shares that they are required to hold in registered form until they cease to hold office,
   - (v) determine, under the conditions defined by law and within legal limits, the dates on which the free shares shall be granted,
   - (vi) decide on the newly issued shares' dividend entitlement date, even if retroactive,
   - (vii) decide on the conditions under which the number of free shares granted shall be adjusted, and
   - (viii) more generally, enter into agreements, draw up documents, record capital increases following the vesting of shares, make any necessary amendments to the Articles of Association, perform all formalities, make all required declarations and do whatever is otherwise necessary.

Each year, the Board of Directors shall inform the ordinary general meeting of each grant made pursuant to this resolution, in accordance with article L. 225-197-4 of the French Commercial Code.

The annual general meeting decides that this authorization is granted for a period of thirty-eight (38) months from the date of this annual general meeting. It renders ineffective the unused portion of any prior delegation of authority granted for the same purpose and in particular that given by the annual general meeting of 4 June 2013 in its 12th resolution.

## 18TH RESOLUTION SHARE GRANT TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

*The Board of Directors decided to terminate the supplementary defined benefit pension scheme from which Thierry Le Hénaff benefited since his appointment in 2006 with effect from the date of his re-election as a director of the Company. In exchange, the Board of Directors decided to award him an additional annual compensation in order for him to build up his supplementary retirement, and a one-off lump sum paid as compensation for the loss of the rights accumulated in the terminated scheme.*

*According to the calculations performed by an independent actuary, the new scheme will imply, from the beneficiary's standpoint, giving up around 70% of the net value of the benefits he would have been entitled to under the current system. For the Company, the overall cost of the new system will be divided by two compared to the existing pension scheme.*

*This compensation consists of a payment in cash and of the award of free shares that will vest in 2017, 2018 and 2019 in three tranches, the definitive award being contingent to a condition of presence in the Group, and that will be subject in each case to a two-year holding period.*

*As this one-off share grant is intended to compensate the loss of rights accumulated in the past, the Board of Directors has decided that the shares should not be subject to any performance condition. In addition, by deciding to pay part of this one-off compensation in Arkema shares and spreading the vesting period over three years, the Board of Directors has included a retention component in the scheme.*

*The purpose of the **18th resolution** is therefore to authorize the Board of Directors to carry out the one-off grant of 50,000 free existing shares in the Company to the Chairman and Chief Executive Officer.*

*The shares granted pursuant to this resolution will be acquired by the Company through the share buyback program.*

### EIGHTEENTH RESOLUTION

*(Authorization granted to the Board of Directors to allocate 50,000 free shares, subject to a condition of presence, to the Chairman and Chief Executive Officer as compensation indemnity for a portion of the contingent rights acquired by the latter under the supplementary defined benefit pension scheme to which he was entitled and which the Board of Directors terminated)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the statutory auditors' special report, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorizes the Board of Directors to award the Chairman and Chief Executive Officer 50,000 free existing shares in the Company as compensation indemnity and payment for a portion of the contingent rights acquired by the latter under the supplementary defined benefit pension scheme to which he was entitled and which the Board terminated;
2. decides that these free shares awarded will be subject to the grantee's presence within the Group;
3. decides that the vesting period of the granted shares shall last one year for 16,667 shares, two years for 16,667 shares and three years for the remaining 16,666 shares, on the understanding that the vested shares will be subject to a two-year lock-up period as of the date they were definitively allotted;
4. decides that these shares will not be subject to performance criteria given the compensatory nature of this exceptional allotment;
5. decides that the shares awarded to the Chairman and Chief Executive Officer will vest before the end of the aforementioned vesting period in the event of second or third category disability within the meaning of article L. 341-4 of the French Social Security Code, and that in the event of the grantee's death, his or her heirs may request the vesting of the shares within six months of the date of death; these shares will be freely transferable;
6. decides that the existing shares granted pursuant to this resolution shall be acquired by the Company, either within the framework of article L. 225-208 of the French Commercial Code, or, if applicable, through the share buyback program authorized by the general shareholders meeting pursuant to article L. 225-209 of the French Commercial Code;
7. grants full powers to the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf within the abovementioned limits, to implement this authorization and in particular to enter into agreements, draw up documents, perform all formalities, make all required declarations and do whatever is otherwise necessary.

The annual general meeting decides that this authorization is granted until 31 December 2016.

## 19TH RESOLUTION MODIFICATION OF THE ARTICLES OF ASSOCIATION

*The purpose of the **19th resolution** is to amend article 10 of the Company's Articles of Association to take into account the latest regulatory changes in 2015. Pursuant to the new provisions of French law, the Company is required to appoint one director representing employees in accordance with the conditions provided for in the Articles of Association, by 2017 at the latest. The Board of Directors decided to comply with this requirement as from 2016 and therefore to propose a resolution at this annual general meeting amending the Articles of Association to enable the appointment of a director representing employees in 2016.*

### NINETEENTH RESOLUTION

*(Amendment to the Articles of Association to enable the appointment of a director representing employees)*

The annual general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, and having considered the Board of Directors' report and the favorable opinion of the Group Works Council (French delegation), in accordance with the provisions of article L. 225- 27-1 of the French Commercial Code, duly decides to amend article 10 of the Articles of Association as follows to establish the terms and conditions for appointing a director representing employees and to add the following paragraph:

***"Article 10. Composition of the Board of Directors***

*[……]*

***10.3. Director representing employees***

*In accordance with legislation, when the number of members of the Board of Directors appointed by the ordinary general meeting is less than or equal to twelve, a director representing employees is appointed by the Group Works Council in compliance with article L. 2331-1 of the French Labor Code (i.e., by the French delegation of the European Group Works Council in compliance with the agreement establishing Arkema's European Group Works Council dated 21 March 2007).*

*Candidates for the position of director representing employees are put forward by trade unions represented at Group Works Council level (or the French delegation within the European Group Works Council). All candidates must meet the legal and regulatory requirements for appointment, and must in particular be an employee of the Company or of one of its direct or indirect subsidiaries whose head office is established on French soil.*

*Following prior notification by the Chairman of the European Group Works Council of the intention to appoint a director representing employees, the trade unions referred to above must provide a list of candidates no later than fifteen days prior to drafting the agenda for the European Group Works Council meeting scheduled to appoint this director along with a document outlining the career history of each candidate.*

*A secret ballot is held to appoint a director representing employees on the basis of a simple majority. If there is a tie, a second round of voting takes place involving candidates that obtained the highest number of votes. If there is a second tie, a third round of voting will take place involving candidates that participated in the second round. If there is still a tie at the end of the third round, the candidate who has been employed by Arkema for the longest period of time will be appointed.*

*The duration of the term of office of the director representing employees is the period provided for in article 10.1.2 above. This term of office expires at the end of the European Group Works Council meeting held to decide whether to renew the term or appoint a new director during the year in which the term expires. This renewal or appointment of a new director takes place during the European Group Works Council's first ordinary meeting following the Company's annual general meeting. The term of office ends automatically and the director representing employees is assumed to have automatically resigned if he or she is no longer an employee of the Company or of one of its subsidiaries with its head office established on French soil.*

*If, for whatever reason, the position of director representing employees falls vacant, his replacement will take place in compliance with the terms and conditions set out above. He or she will carry out his or her duties for the remainder of the predecessor's term of office. Up to the replacement date, the Board of Directors may meet and legitimately deliberate.*

*The director representing employees is not taken into account when establishing the minimum and maximum number of directors provided for in article 10.1 above nor when applying the first paragraph of article L. 225-18-1 of the French Commercial Code.*

*The provisions of article 10.1.1 referring to the number of shares that must be held by a director do not apply to directors representing employees.*

*If at the end of the financial year, the provisions of article L. 225-27-1 of the French Commercial Code no longer apply to the Company, the director's term of office expires at the end of the Board of Directors' meeting acknowledging that this is the case."*

## 20TH RESOLUTION POWERS FOR FORMALITIES

### TWENTIETH RESOLUTION

*(Powers to carry out formalities)*

The annual general meeting grants full powers to the bearer of an original, a copy or an excerpt of the minutes of this annual general meeting for the purposes of performing all filing, publicity or other formalities that may be required.

# Proposed resolution not agreed by the Board of Directors

## RESOLUTION PROPOSED BY THE FCPE ARKEMA ACTIONNARIAT FRANCE

***Reasons of the FCPE's decision to propose this resolution:***

*The law allows the Company to offer shareholders the option to receive their dividend in shares rather than in cash.*

*Internal rules of the company mutual fund FCPE Arkema Actionnariat France (FCPE), in which the Group's employees or former employees own shares, provide for the automatic reinvestment of the dividend leading thus to the issuance of new shares of the fund.*

*Enabling the asset management company managing the FCPE to opt, depending on market conditions, for the payment of the dividend in a way that would optimally value the assets of the owners of FCPE shares, constitutes a real opportunity for these shareholders. It is thus in the best interest of the fund's shareholders that the Supervisory Board of the FCPE, which represents them, proposes this resolution.*

***Opinion of Arkema's Board of Directors:***

*Each year, Arkema's Board of Directors reviews the opportunity to propose to shareholders the option for the payment of the dividend in shares. In respect of 2015, the Board of Directors decided not to propose such option taking into account a quicker than anticipated reduction in net debt one year after Bostik's acquisition.*

***Consequently, the Board of Directors did not approve the resolution proposed by the Supervisory Board of the company mutual fund Arkema Actionnariat France.***

### RESOLUTION A

*(Option for the payment of the dividend in shares)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, decides in accordance with articles L. 232-18 *et seq.* of the French Commercial Code and article 20 of the Company's Articles of Association, to offer each shareholder the option for the payment in Company shares of the entire dividend distributed relating to the shares that they hold.

The shareholders will be able to opt for the payment of the dividend in new shares between 17 June 2016 and 1 July 2016 inclusive. Beyond that date, the dividend will be paid as of 12 July 2016 in cash only.

In accordance with article L. 232-19 of the French Commercial Code, the annual general meeting decides that:

**(i)** the issue price for the new shares to be issued in payment of the dividend will be equal to 90% of the average of the opening price of Arkema shares on Euronext Paris for the twenty stock market trading days prior to the date of this general shareholders' meeting, reduced by the net amount of the dividend and with the price rounded up, if necessary, to the nearest euro cent;

**(ii)** the shares thus issued in payment of the dividend will carry dividend rights as of 1 January 2016 and will be entirely fungible with existing Company shares;

**(iii)** if the amount of the dividend for which this option is exercised does not correspond to a whole number of shares, the shareholder may choose to receive the nearest greater number of shares and pay the difference in cash on the day he exercises the option, or to receive the nearest lower number of shares with the outstanding balance in cash.

The annual general meeting grants full powers to the Board of Directors to implement or sub-delegate the implementation, as provided for by law, of this resolution, in particular to take all steps and complete any transactions related or subsequent to the exercising of this option, carry out any formalities required for the issuance or listing of the shares pursuant to this resolution and for the completion and financial service of the shares, allocate the costs of the increase in share capital to the amount of the attached premium, and to deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new share capital, observe the capital increases arising and make any adjustments to the Articles of Association accordingly.

# OPTION FOR THE E-NOTICE

*Help us protect the environment by reducing paper printouts.*

**The e-notice is a simple, rapid and secure way of receiving your notice of meeting.**

We propose you to opt for the e-notice for the general meetings to be held following that of 7 June 2016. By choosing this option you will contribute to better protect the environment by avoiding the print-out and sending of notices by post.

To opt for the e-notice, you simply need to **fill in the reply form below with your name, first name, date of birth and e-mail address**, and send it to us at your earliest convenience at the following address: ARKEMA - Investor Relations department - 420 rue d'Estienne d'Orves - 92705 Colombes Cedex - France.

If you had already opted for the e-notice but continue to receive a hard copy of documents, we propose you to renew your request by filling in and sending us the reply form below.

## REPLY FORM TO OPT FOR THE E-NOTICE

I wish to receive my notice of meeting and the documents relating to the general shareholders' meetings of Arkema from the general shareholders' meetings to be held following that of 7 June 2016.

To that effect, I fill in the following details
*(all required information is mandatory)*:

**Please return the form to:**

ARKEMA
Investor Relations department
420 rue d'Estienne d'Orves
92705 Colombes Cedex – France

I, the undersigned,

Mrs ☐ Miss ☐ Mr ☐

Name: ............................................................... First name: ...............................................................................

Date of birth *(dd/mm/yyyy)*: ............................................................................................................................

I mention below my email address (to be filled in capital letters):

.................................................................................@ ...............................................................................

Signed at: ................................on: ............................................ 2016

Signature

# REQUEST FORM FOR ADDITIONAL DOCUMENTS

ARKEMA
INNOVATIVE CHEMISTRY

*Documents and information referred to in article R. 225-83 of the French Commercial Code, included in the 2015 Reference document, are available and/or can be ordered on www.finance.arkema.com.*

COMBINED ANNUAL GENERAL MEETING
**TUESDAY 7 JUNE 2016 AT 10:30 A.M.**
To be held at Palais Brongniart, Grand Auditorium
Place de la Bourse – 75002 Paris - France

**Please return the form to:**
ARKEMA
Investor Relations department
420 rue d'Estienne d'Orves
92705 Colombes Cedex – France

I, the undersigned,

Mrs ☐ Miss ☐ Mr ☐ Company ☐

Name (or company name): .................................................................. First name: ..................................................................

N°: ....................... Street: ..........................................................................................................................................

Postcode: ☐☐☐☐☐ City: ............................................................. Country: .............................................................

Email address: ........................................................................................ @ .......................................................................

Acknowledge having received the documents relating to the combined annual general meeting of 7 June 2016 and referred to in article R. 225-81 of the French Commercial Code, *i.e.*, the agenda, proposed resolutions and summary presentation of the Company's situation during the year just ended (together with a table of the last five-year results).

Request Arkema to send me prior to the combined annual general meeting, the documents and information referred to in article R. 225- 83 of the French Commercial Code and included in the 2015 Reference Document.

☐ Request for a hard copy of these documents

☐ Request for an electronic version of these documents

Signed at: ...................................on: ........................................... 2016

Signature

## Investor Relations

**Telephone: +33 (0)1 49 00 74 63**

**actionnaires-individuels@arkema.com**

**www.finance.arkema.com**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