ARKEMA
INNOVATIVE CHEMISTRY

# 2020 NOTICE OF MEETING

## COMBINED ANNUAL GENERAL MEETING

**TUESDAY 19 MAY 2020**

At 10 A.M.

**Behind closed doors with live broadcasting on the website www.finance.arkema.com**

**In the exceptional context linked to Covid-19, it is recommended you vote remotely or give your proxy to the Chairman of the meeting.**

# COMBINED ANNUAL GENERAL MEETING 2020

## TUESDAY 19 MAY

At 10 a.m.

**Behind closed doors with live broadcasting on the website www.finance.arkema.com**

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.

**COVID-19 WARNING**

Due to the situation in France and internationally relating to the Covid-19 pandemic, and in accordance with French Order no. 2020-321 of 25 March 2020 relating to the adaptation of the rules for holding and participating in shareholders' meetings and meetings of management bodies of legal entities and unincorporated entities governed by private law due to the Covid-19 epidemic, the Board of Directors has decided to hold the annual general meeting **behind closed doors, without the physical presence of shareholders**, at the Company's headquarters in Colombes.

The meeting will be broadcast live and recorded for replay on www.finance.arkema.com.

In this context, we invite you not to ask for an admission card and to vote remotely or give your proxy to the Chairman of the general meeting or to a third party. All the procedures for participating are detailed on pages 5 and 6 of this document.

You are also able to submit written questions online at the following address: arkema-assemblee-generale-2020@arkema.com, attaching a shareholding certificate, at the latest on the 4th business day preceding the meeting.

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# MESSAGE FROM THIERRY LE HÉNAFF

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### Ladies and Gentlemen, dear Shareholders,

**First of all, I hope that you and your families are well, in these exceptional circumstances marked by Covid-19. My thoughts go out to those who have been touched by the virus.**

I am pleased to invite you to attend Arkema's annual general meeting, which will be held on Tuesday 19 May 2020 at 10 a.m. In the exceptional context of the start of this year, marked by the spread of the Covid-19 epidemic, our priority remains the health of all our stakeholders. We have therefore decided that the annual general meeting should exceptionally be held without the physical presence of shareholders at the Company's headquarters in Colombes.

In those circumstances, remote voting will be the only way to express one's vote. I encourage you to vote on the proposed resolutions online or by post in order to express your opinion on decisions that are important for your Group's future.

In spite of those unusual arrangements, the annual general meeting must remain a special moment of information and dialogue, and this is why my presentation, as well as that of Marie-José Donsion, Arkema's Chief Financial Officer, will be broadcast live on our website. Moreover, I invite you to ask your questions online in advance and I shall answer them during the meeting if possible.

The meeting will provide an opportunity to review Arkema's strong financial performance in 2019, after the record level reached in 2018. Last year's results also showed an historically high level of cash generation and tightly controlled net debt. In an already less favorable macroeconomic context, 2019 results illustrated the Group's robustness and resilience, the quality of its business portfolio, as well as the validity of its strategy to focus on specialties.

As announced at our Strategy Update on 2 April 2020, Arkema intends to continue its ambitious transformation in order to become a pure player in Specialty Materials by 2024, supported by three coherent businesses with attractive growth prospects: Adhesives Solutions, Advanced Materials and Coating Solutions.

Shorter-term, in the face of the health, social and economic crisis caused by Covid-19, the likes of which has never been seen, the Board of Directors and management reaffirm their confidence in the Group's capacity to resist given the short-term adjustment measures taken, the solidity of its balance sheet and its level of liquidity. Nevertheless, in the spirit of solidarity and responsibility towards all stakeholders, the Board of Directors has decided to reduce the dividend for fiscal year 2019 to 2.20 euros per share, a decline of 12% compared to last year's level. The Board of Directors also signaled its intent, when a return to normality takes shape and the appropriate conditions are met, to restitute to shareholders the difference with the initially announced amount in a manner yet to be defined.

In addition to the agenda of the meeting and the proposed resolutions that will be submitted to your approval, this notice of meeting also includes practical information on how to participate in this meeting held behind closed doors. You will also find a summary of 2019 results and information on our governance.

In these very special circumstances, I would like to thank you sincerely for your confidence and loyalty.

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

# HOW TO TAKE PART IN THE GENERAL MEETING?

**COVID-19 WARNING**

Due to the situation in France and internationally relating to the Covid-19 pandemic described on page 2, the annual general meeting will be held **behind closed doors** on an exceptional basis, **without the physical presence of shareholders.**

Insofar as it is not possible to meet physically, you will not be able to ask for an admission card. In those conditions, we recommend you to vote remotely, before the meeting is held, either online on the secure VOTACCESS voting platform, by post, using the paper voting form, or by giving your proxy to the Chairman of the meeting. You can also give your proxy to a third party under the conditions detailed on pages 5 and 6.

You are also able to submit written questions online at the following address: arkema-assemblee-generale-2020@arkema.com, attaching a shareholding certificate, at the latest on the 4th business day preceding the meeting. Written questions sent to the Company to the address mentioned above after the deadline set by legal provisions but before the general meeting will however be answered if possible.

The combined annual general meeting will take place **at 10:00 a.m. (Paris time) on Tuesday 19 May 2020 behind closed doors** at Arkema's headquarters [(1)].

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

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 15 May 2020**.

## HOW TO PROVIDE EVIDENCE OF YOUR STATUS AS A SHAREHOLDER OF ARKEMA?

### IF YOUR SHARES ARE REGISTERED

The evidence of your status as 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 15 May 2020. You do not need to do anything else.

### IF YOU HOLD BEARER SHARES

The evidence of your status as shareholder is provided by a **certificate of shareholding** *(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 to the following registrar appointed by Arkema the certificate of shareholding along with your voting form or proxy voting form:

**BNP Paribas Securities Services**

**CTO Assemblées Centralisées**

**Les Grands Moulins de Pantin**

**9, rue du Débarcadère**

**93761 Pantin Cedex – France.**

*(1) As required by article R. 225-67 of the French Commercial Code, the convening notice will be published in the Bulletin des Annonces Légales Obligatoires on 27 April 2020.*

# HOW TO VOTE?

In the exceptional context linked to Covid-19, as described on page 2 of this notice, you will not be able to physically attend the annual general meeting, or be physically represented by the person of your choice.

To vote, you may:

1. **vote by post**, give proxy to the Chairman or be represented by any person you choose who will have to send his voting instructions by electronic mail; or
2. **vote online.**

In all cases, you must either:

- complete the attached form (see "How to fill out the form?" on page 7) and send it back;
- log into the secure dedicated website and follow the procedure described hereafter for online voting.

Shareholders who have already cast their vote remotely, sent a proxy or asked for an admission card or a participation certificate, can choose another way to take part in the general meeting provided that the instruction in that regard is received by the Company according to the conditions and within the deadline mentioned hereafter, depending on the newly chosen method of participating.

## 1. YOU WISH TO VOTE BY POST

You may choose one of the three options mentioned on the **voting 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:** fill in box 1 "I vote by post";

### CHANGES TO THE VOTING FORM

**The voting form has been changed** in order to take into account the regulatory changes introduced by French Law no. 2019-744 of 19 July 2019 on the "simplification, clarification and modernization of company law". There are now three possible ways of voting on each resolution:

- **To vote IN FAVOR** of a resolution, this is the default option and you do not have to check any boxes. Your vote IN FAVOR of the resolution is registered automatically;
- **To vote AGAINST** a resolution, check the relevant box;
- **To ABSTAIN** from voting **(new)**, check the relevant box. Your shares will be taken into account in calculating the overall quorum of the meeting. However, your abstention will not be taken into account to determine whether the resolution is adopted or rejected.

- **give your proxy to the Chairman of the general meeting [(1)]:** fill in box 2 "I give my proxy to the Chairman of the general meeting". In this case, the Chairman will vote in favor of the proposed resolutions agreed by the Board of Directors; or
- **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: check box 3 "I give a proxy to" and identify the named person who, in the exceptional context linked to Covid-19, as that person will also not be able to participate in the general meeting behind closed doors, will have to issue his voting instructions and justify his capacity as proxy holder at the latest on Friday 15 May 2020 by electronic mail to the address **paris.bp2s.france.cts.mandats@bnpparibas.com**.

The designated proxy addresses his voting instructions to carry out the relevant mandates to the aforementioned electronic mail address, by way of a scanned copy of the single form mentioning the name, first name and address of the designated proxy, writing 'acting as a proxy holder', and to be dated and signed. The voting instructions are written in the box 'I vote remotely' of the form. The proxy holder attaches a copy of his identity document and, where appropriate, a power of representation of the legal person represented. **No proxy with a designated person given pursuant to article L. 225-106 I of the French Commercial Code will be taken into account if the proxy given by the shareholder or the proxy's voting instructions are not received by the Company in the aforementioned conditions at the latest on 15 May 2020.**

***Warning : this electronic address is reserved for holders of a proxy given to them by a shareholder and no remote voting or proxy given to the Chairman of the meeting sent by a shareholder or by an intermediary at this electronic address will be taken into account.***

In order to be taken into account, remote voting forms and proxies in paper form giving proxy to the Chairman of the general meeting or to a third party, will have to be received by the Company or the General Meeting services of BNP Paribas Securities Services, at the latest on 15 May 2020 at midnight. Revocations of proxies given to the Chairman of the general meeting or to a third party in paper form must be received within the same deadline.

**Given the potential disruptions in mail delivery, it is recommended you send your voting form as early as possible and to choose online voting under the conditions described hereafter.**

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

*(1) For all proxies by shareholders without a designated representative, the Chairman of the general meeting will vote in favor of the proposed resolutions presented or approved by the Board of Directors, and a vote against all the other proposed resolutions. In order to cast any other vote, shareholders must designate a person who accepts to vote according to his or her wish.*

## 2. IF YOU WISH TO VOTE ONLINE

Arkema offers its shareholders the possibility to vote online prior to the annual general meeting *via* the secure VOTACCESS platform. This website offers you the same options as the voting form and you will be able to give your voting instructions and appoint or revoke a representative online (the Chairman of the meeting or a third party).

If your shares are registered (directly or administered), you can log into the VOTACCESS platform *via* the Planetshares website, **https://planetshares.bnpparibas.com** using:

- your usual ID and password, if you are a **direct registered** shareholder; or
- the login ID which was sent to you together with your notice of meeting, if you are an **administered** shareholder.

Once logged in, follow the instructions on screen.

Should you experience any difficulties, you can obtain help by filling out the contact form on the homepage of the Planetshares website.

If you hold bearer shares and if the bank or broker holding your account is connected to the VOTACCESS platform, you simply need to log into its website using your usual ID and password, to click on the icon on the line corresponding to your Arkema shares and follow the instructions on screen.

Please contact the bank or broker holding your account in order to confirm whether such access is subject to any specific terms of use.

If the bank or broker managing your account is not connected to the VOTACCESS platform, you can also appoint or revoke 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.

You must ask your bank or broker holding your share account to send confirmation in writing to BNP Paribas Securities Services – CTO Assemblées Centralisées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

To be duly taken into account, proxies or revocations of proxies given **to third parties in electronic form** will have to be received at the latest on Friday 15 May at midnight.

To be duly taken into account, proxies or revocations of proxies given **to the Chairman of the general meeting in electronic form** will have to be received at the latest the day before the meeting at 3:00 p.m. (Paris time).

Shareholders may **access the VOTACCESS platform** from **29 April 2020 at 10:00 a.m (Paris time) until 18 May 2020 at 3:00 p.m. (Paris time)**. **As the general meeting is being held behind closed doors in the exceptional context of Covid-19, it is however recommended that shareholders do not wait until the day before the meeting to vote, in order to avoid congestion.**

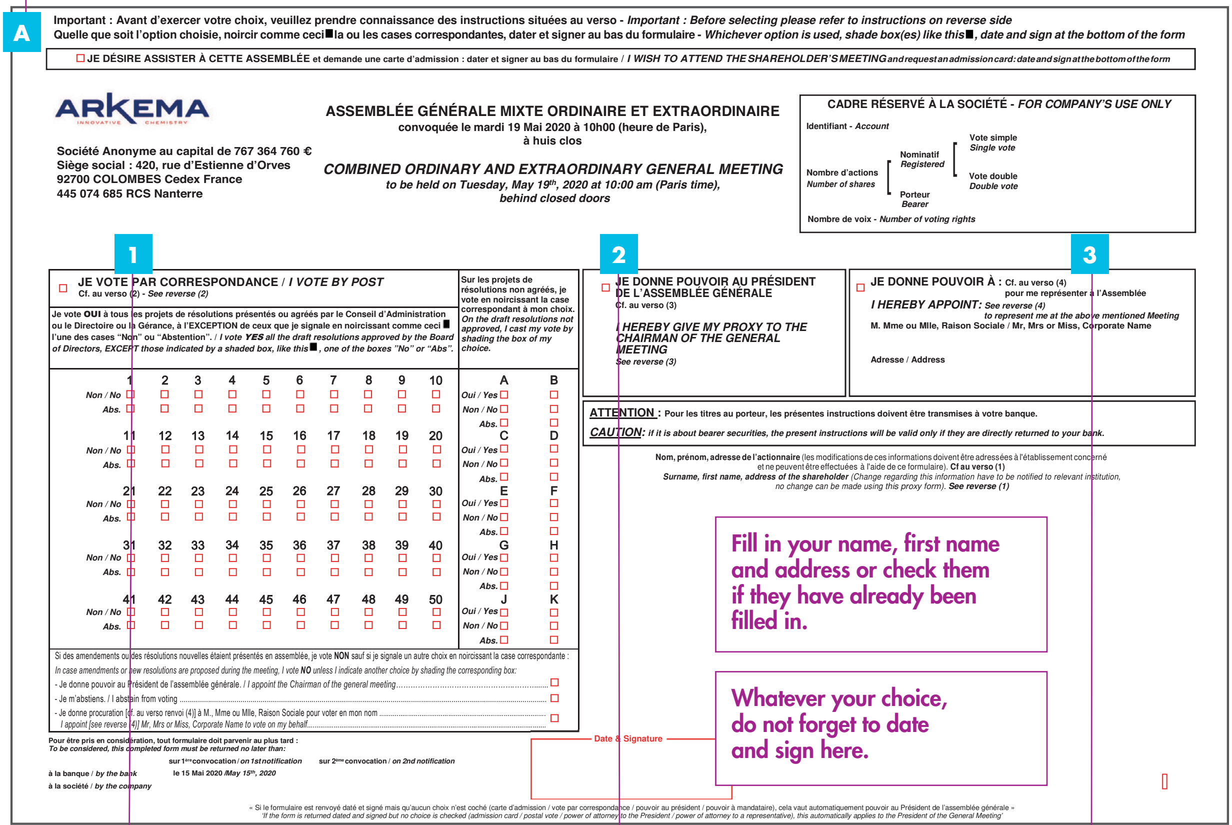
Whichever option you choose, **only those shares held in the share account** no later than **two business days** prior to the annual general meeting, *i.e.*, **15 May 2020 at 0:00 a.m.** (Paris time) will be taken into account.

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

# HOW TO FILL OUT THE FORM?

**You wish to physically attend the meeting:**

It will not be possible to physically attend the annual general meeting, which will be exceptionally held behind closed doors.


A

Important : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - *Important : 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*

☐ 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*

ARKEMA

Société Anonyme au capital de 767 364 760 €
Siège social : 420, rue d'Estienne d'Orves
92700 COLOMBES Cedex France
445 074 685 RCS Nanterre

ASSEMBLÉE GÉNÉRALE MIXTE ORDINAIRE ET EXTRAORDINAIRE
convoquée le mardi 19 Mai 2020 à 10h00 (heure de Paris), à huis clos

*COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING*
*to be held on Tuesday, May 19th, 2020 at 10:00 am (Paris time), behind closed doors*

CADRE RÉSERVÉ À LA SOCIÉTÉ - *FOR COMPANY'S USE ONLY*
Identifiant - *Account*
Nombre d'actions / *Number of shares*: Nominatif / *Registered* (Vote simple / *Single vote*; Vote double / *Double vote*); Porteur / *Bearer*
Nombre de voix - *Number of voting rights*

1

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

Je vote **OUI** à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ l'une des cases "Non" ou "Abstention". / *I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box, like this ■, one of the boxes "No" or "Abs".*

Sur les projets de résolutions non agréés, je vote en noircissant la case correspondant à mon choix. *On the draft resolutions not approved, I cast my vote by shading the box of my choice.*

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | A | B |
| | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | C | D |
| | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | E | F |
| | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | G | H |
| | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | J | K |

Non / No ☐ — Abs. ☐ — Oui / Yes ☐

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée, je vote NON sauf si je signale un autre choix en noircissant la case correspondante :
*In case amendments or new resolutions are proposed during the meeting, I vote NO unless I indicate another choice by shading the corresponding box:*
- Je donne pouvoir au Président de l'assemblée générale. / *I appoint the Chairman of the general meeting* ☐
- Je m'abstiens. / *I abstain from voting* ☐
- 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 pris en considération, tout formulaire doit parvenir au plus tard :
*To be considered, this completed form must be returned no later than:*
sur 1ère convocation / *on 1st notification* — sur 2ème convocation / *on 2nd notification*
à la banque / *by the bank* — le 15 Mai 2020 / *May 15th, 2020*
à la société / *by the company*

2

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

3

☐ JE DONNE POUVOIR À : Cf. au verso (4) pour me représenter à l'Assemblée
*I HEREBY APPOINT: See reverse (4) to represent me at the above mentioned Meeting*
M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
Adresse / *Address*

ATTENTION : Pour les titres au porteur, les présentes instructions doivent être transmises 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 (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
*Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)*

Date & Signature

« Si le formulaire est renvoyé daté et signé mais qu'aucun choix n'est coché (carte d'admission / vote par correspondance / pouvoir au président / pouvoir à mandataire), cela vaut automatiquement pouvoir au Président de l'assemblée générale »
*"If the form is returned dated and signed but no choice is checked (admission card / postal vote / power of attorney to the President / power of attorney to a representative), this automatically applies to the President of the General Meeting"*

**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 cast a postal vote:**

fill in box 1 and follow the instructions.

**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:**

fill in box 3.
This person will be able to vote on your behalf by sending his voting instructions and justifying his capacity as proxy holder at the latest on Friday 15 May 2020 by electronic mail to the address: paris.bp2s.france.cts.mandats@bnpparibas.com.

**Nota bene:** If you hold bearer shares, please do not send the form directly to Arkema or to BNP Paribas Securities Services, but to your financial intermediary as it must be accompanied by a certificate of shareholding. Your bank or broker will issue the required certificate and send it with your voting form to: BNP Paribas Securities Services – CTO Assemblées Centralisées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

# ARKEMA IN 2019

## KEY FIGURES

All figures contained in this section are provided on a consolidated basis and in accordance with the Group's organization prevailing on 31 December 2019. Details on the alternative performance indicators used by the Group are provided in note C.1 of the notes to the consolidated financial statements at 31 December 2019 in section 5.3.3 of the 2019 Universal Registration Document. Furthermore, Arkema provided a strategic update on 2 April 2020. Therefore, please also refer to the documents (presentation and press release) that were presented on this occasion for the most recent information regarding the Group's organization and which are available on Arkema's website www.arkema.com.

**€8,738 m**
**Sales**
**close to 2018 levels**

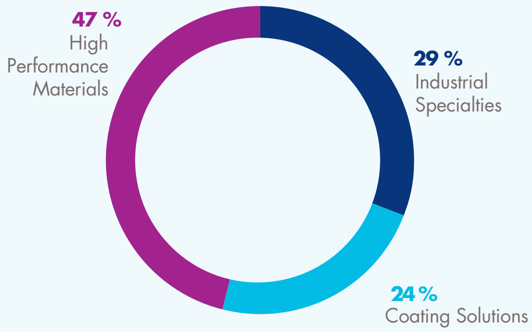
**€1,457 m**
**EBITDA**
**16.7% EBITDA margin**

**€625 m**
**Adjusted net income**
**€8.20 per share**

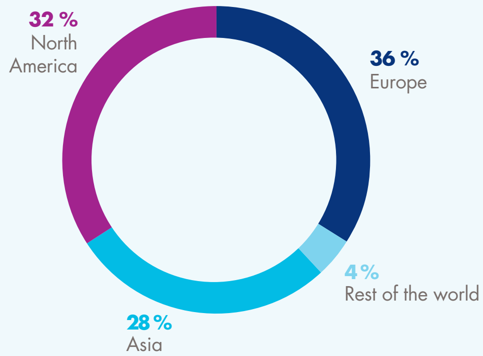
**€2.20**
**Dividend/Share***
**27% pay-out ratio**

* *Dividend proposed at this annual general meeting, following the decision of the Board of Directors at its meeting of 14 April 2020 to decrease the dividend to 2.20 euros per share from 2.70 euros as announced initially.*

**SALES BY DIVISION**




**SALES BY REGION**




**20,500** EMPLOYEES

PRESENCE in **55 countries**

**144** INDUSTRIAL SITES

**3 regional** R&D HUBS

### INCOME STATEMENT KEY FIGURES

| *(In millions of euros unless otherwise mentioned)* | 2019 | 2018 | Year-on-year change |
|---|---|---|---|
| Sales | 8,738 | 8,816 | -0.9% |
| EBITDA | 1,457 | 1,474 | -1.2% |
| EBITDA margin *(EBITDA as % of sales)* | 16.7% | 16.7% | - |
| Recurring operating income (REBIT) | 926 | 1,026 | -9.7% |
| REBIT margin *(REBIT as % of sales)* | 10.6% | 11.6% | - |
| Operating income | 806 | 928 | -13.1% |
| Net income – Group share | 543 | 707 | -23.2% |
| Adjusted net income | 625 | 725 | -13.8% |
| Earnings per share *(in euros)* | 6.45 | 8.84 | -27.0% |
| Adjusted net income per share *(in euros)* | 8.20 | 9.51 | -13.8% |

### BALANCE SHEET KEY FIGURES

| *(In millions of euros unless otherwise mentioned)* | 2019 | 2018 |
|---|---|---|
| Shareholders' equity | 5,324 | 5,028 |
| Net debt | 1,631 | 1,006 |
| Gearing *(in %)* | 31% | 20% |
| Capital employed | 7,917 | 6,996 |
| Working capital on sales *(in %)* | 13.8% | 13.4% |
| Net provisions * | 805 | 800 |

* *Provisions net of non-current assets as defined in section 5.1.9 of the 2019 Universal Registration Document.*

### CASH FLOW STATEMENT KEY FIGURES

| *(In millions of euros unless otherwise mentioned)* | 2019 | 2018 |
|---|---|---|
| Cash flow from operating activities | 1,300 | 1,029 |
| Free cash flow * | 667 | 499 |
| Recurring and exceptional capital expenditure ** | 607 | 561 |

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

** *As defined in note C.1 to the consolidated financial statements at 31 December 2019 in section 5.3.3 of the 2019 Universal Registration Document.*

### EXTRA FINANCIAL KEY FIGURES

| | 2019 | 2018 |
|---|---|---|
| **Safety** | | |
| Total recordable injury rate (TRIR) * | 1.4 | 1.3 |
| Process safety event rate (PSER) | 3.7 | 4.4 |
| **Climate and environment** ** | | |
| Greenhouse gas emissions | 0.87 | 0.90 |
| Volatile organic compound emissions | 0.60 | 0.62 |
| Chemical oxygen demand | 0.50 | 0.59 |
| Net energy purchases | 0.91 | 0.88 |
| **Employees** | | |
| Percentage of women in senior management and executive positions | 23% | 21% |
| Percentage of non-French nationals in senior management and executive positions | 40% | 39% |

* *Number of injuries per million hours worked (including injuries not resulting in time off work). TRIR includes injuries to both Group and subcontractor employees.*

** *In EFPI terms compared with 2012 except for greenhouse gas emissions and in absolute terms compared with 2015 for greenhouse gas emissions.*

# GROUP'S FINANCIAL PERFORMANCE IN 2019

After a record year in 2018, Arkema delivered another high-level financial performance in 2019, in an increasingly challenging economic context, marked by persistent geopolitical tensions and uncertainty that weighed heavily on demand. These results attest to the quality of the Group's business portfolio and its resulting ability to adapt to different environments. They also confirm the validity of its transformation strategy towards specialty businesses.

## Sales

At **€8,738 million**, **sales** were down 0.9% year on year, in an uncertain and less favorable macroeconomic context and a tense geopolitical environment marked notably by trade wars. The scope effect of +1.8% mainly corresponds to the acquisition of ArrMaz in the High Performance Materials division. Although positive in High Performance Materials (+3.6%), the price effect was a negative 2.3% for the Group due to a sharp drop in propylene prices for the Coating Solutions division and challenging market conditions for Fluorogases. Volumes were down 2.4% during the year, with notably much lower demand in High Performance Materials in the transportation, oil & gas, and consumer electronics sectors, which overshadowed robust growth in certain niche segments such as batteries and 3D printing. The 2.0% positive currency effect was essentially attributable to the appreciation of the US dollar against the euro.

## EBITDA and recurring operating income

Comparable with the record high reached in 2018, **EBITDA** for the year amounted to **€1,457 million** in a challenging environment, demonstrating the quality of the Group's portfolio. This performance was driven by the strong increase in specialty businesses [(1)] thanks notably to solid growth for Bostik and Thiochemicals, the benefits of the Group's innovation and partnerships in composites, batteries and additive manufacturing, the positive impact of lower raw materials prices, as well as the contribution of ArrMaz in line with our expectations. The intermediate businesses [(1)] were down year on year, impacted in particular by the strong decline of Fluorogases compared with last year's historically high level. The EBITDA figure also includes a positive €56 million impact linked to the application of IFRS 16.

At **16.7%**, **EBITDA margin** was stable year on year at a high level.

**Recurring operating income (REBIT)** came to **€926 million** versus €1,026 million in 2018. It includes €531 million in recurring depreciation and amortization, up €83 million from €448 million in 2018. The increase reflects the impact of applying IFRS 16 for €54 million, the start-up of production units during the year, the consolidation of ArrMaz from 1 July 2019 and the unfavorable currency effect. Consequently REBIT margin for the year stood at 10.6% versus 11.6% in 2018.

## Net income – Group share

**Net income – Group share** totaled **€543 million** (€707 million in 2018). Excluding the post-tax impact of non-recurring items, **adjusted net income** amounted to **€625 million** (versus €725 million in 2018), i.e., **€8.20 per share** (€9.51 per share in 2018).

Net income – Group share included other income and expenses representing a net expense of €73 million. This amount corresponds primarily to (i) net restructuring charges, mainly in the adhesives business, for €25 million, (ii) €32 million in asset impairments, (iii) an insurance compensation for the investments made on the Crosby site after the Hurricane Harvey (iv) expenses linked to acquisitions and (v) costs linked to an incident at a supplier's site.

Net income – Group share also included €47 million in depreciation and amortization resulting from the revaluation of tangible and intangible assets as part of the Bostik, Den Braven, XL Brands and ArrMaz purchase price allocation.

It also included the financial result representing a net expense of €116 million, up €15 million on 2018. The year-on-year change is mainly due to the unfavorable interest rate effect on the portion of the Group's debt swapped into US dollars.

Finally, it also included income taxes representing a net expense of €137 million in 2019 versus a net expense of €114 million in 2018. Excluding non-recurring items, the tax rate amounted to 19% of recurring operating income, unchanged from 2018.

## Dividend

The Group has reaffirmed its confidence in its ability to withstand the economic crisis linked to Covid-19 despite the significant drop in global demand expected in the 2nd quarter.

Nevertheless, in the spirit of solidarity and responsibility towards all stakeholders, Arkema's Board of Directors has decided to reduce the proposed dividend for the 2019 financial year as stated on 26 February 2020 to two euros and twenty cents (€2.20) per share, a 12% decline compared to last year's level, and a decline of around 20% compared to the amount announced originally. The Board has also signaled its intent, when a return to normality takes shape and the appropriate conditions are met, to restitute this difference to shareholders in a manner yet to be defined.

The dividend will be paid fully in cash. The ex-dividend date (25 May 2020) and the payment date (from 27 May 2020) remain unchanged. The dividend amount of two euros and seventy cents (2.70 euros) mentioned in the 3rd resolution published in the *Bulletin des Annonces Légales Obligatoires* of 10 April 2020 is therefore modified.

*(1) According to the organization in force at end-2019, the Group distinguishes between intermediate businesses, corresponding to the PMMA, Fluorogases and Acrylics Business Lines, and specialty businesses.*

# PERFORMANCE BY DIVISION IN 2019

The figures communicated hereafter are given on a consolidated basis and according to the organization of the Group in force at 31 December 2019. Arkema presented a strategic update on 2 April 2020 and one should also refer to the documents (presentation and press release) presented on that occasion for the most recent information regarding the Group's organization on the website www.arkema.com.

## High Performance Materials

**According to the Group's organization in force at end-2019, the High Performance Materials division includes the adhesives business within Bostik, as well as Technical Polymers and Performance Additives within Advanced Materials.**

**Those businesses share the same objective: offering innovative, high value-added technical solutions to the different niche markets concerned and which are tailored to meet the specific needs of customers. Technological innovations are supported by structural trends such as material lightweighting, new energies, recyclability, bio-based materials and access to water. Moreover, the Group enjoys first-rate positions in most of the division's product lines.**

| *(In millions of euros)* | **2019** | **2018** |
|---|---|---|
| Sales | 4,065 | 3,970 |
| EBITDA | 654 | 640 |
| EBITDA margin (% of sales) | 16.1% | 16.1% |
| Recurring operating income (REBIT) | 468 | 481 |
| REBIT margin (% of sales) | 11.5% | 12.1% |

**Sales** of the **High Performance Materials** division amounted to **€4,065 million**, up 2.4% on 2018. This performance was driven by a positive 3.6% price effect, positive in all of the division's Business Lines and mainly reflecting the Group's actions to increase sales prices and optimize the product mix. The positive 3.5% scope effect primarily stemmed from the consolidation of ArrMaz as of 1 July and, to a lesser extent, the bolt-on acquisitions of Lambson and Prochimir in the fourth quarter. In a challenging macroeconomic environment, volumes fell 6.6%. They were mainly impacted by a marked slowdown in the transportation, oil & gas, and consumer electronics sectors, as well as by the inventory adjustments of our customers, all of which overshadowed strong demand in the batteries and 3D printing segments. The currency effect added 1.9% to the division's sales.

**EBITDA** of the High Performance Materials division was up 2.2% year on year to **€654 million**. The increase was driven by the impact of price increases, the shift in the product mix towards higher added-value applications, the contribution from acquisitions in line with our expectations, and a more favorable raw materials environment. In particular, Adhesives delivered a remarkable performance, with EBITDA up in the high-teens in 2019.

The division's **EBITDA margin** was stable at **16.1%**. Advanced Materials resisted well with an EBITDA margin of close to 20% despite a sharp decrease in volumes, while Bostik reported a strong improvement with an EBITDA margin of around 13%.

## Industrial Specialties

**According to the Group's organization in force at end-2019, the Industrial Specialties division includes PMMA, Thiochemicals, Fluorogases and Hydrogen Peroxide. The division's businesses, in which Arkema counts among the world leaders, share common characteristics, including implementing cutting-edge, complex production processes and the existence of global markets which offer strong growth prospects, in particular in Asia.**

| *(In millions of euros)* | **2019** | **2018** |
|---|---|---|
| Sales | 2,514 | 2,699 |
| EBITDA | 621 | 675 |
| EBITDA margin (% of sales) | 24.7% | 25.0% |
| Recurring operating income (REBIT) | 406 | 497 |
| REBIT margin (% of sales) | 16.1% | 18.4% |

**Industrial Specialties sales** declined 6.9% year on year to **€2,514 million**, with a negative 7.3% price effect and a 1.5% decrease in volumes. Against a high basis of comparison in 2018, these price and volume effects mainly reflect challenging market conditions in 2019 for Fluorogases and, to a lesser extent, normalization in the MMA/PMMA chain. The currency effect was a positive 1.9%.

At **€621 million**, the division's **EBITDA** was down on the excellent performance delivered in 2018 (€675 million). EBITDA for Fluorogases was strongly penalized by illegal HFC imports into Europe, which weighed on the prices and volumes of this activity. For MMA/PMMA, the impact of the normalization of market conditions was mitigated by its strong integration, the benefits of our innovation, and the favorable evolution of certain raw materials. Over the full year, the division's EBITDA was supported by the very good performance of Thiochemicals and the growth of Hydrogen Peroxide.

The division's **EBITDA margin** of **24.7%** remained very high and close to last year's level (25.0%).

## Coating Solutions

**According to the Group's organization in force at end-2019, the Coating Solutions division is made up of a set of coherent activities focused on the coatings market (decorative paints and industrial coatings) for the downstream business and equipped with a global and competitive upstream in acrylic monomers, which, beyond the coatings market, also serves high-growth markets such as superabsorbents and water treatment.**

| *(In millions of euros)* | 2019 | 2018 |
|---|---|---|
| Sales | 2,133 | 2,120 |
| EBITDA | 264 | 243 |
| EBITDA margin (% of sales) | 12.4% | 11.5% |
| Recurring operating income (REBIT) | 142 | 140 |
| REBIT margin (% of sales) | 6.7% | 6.6% |

At **€2,133 million**, **sales** for the **Coating Solutions** division were 0.6% higher year on year. Volumes rose 4.4%, reflecting strong momentum for acrylic monomers, especially in the United States following the start-up of the Clear Lake acrylic acid reactor, and in Asia during the first nine months of the year. The negative 7.0% price effect mechanically reflected lower propylene prices. The scope effect was a positive 0.7%, corresponding to Arkema's acquisition of Jurong's stake in Taixing Sunke Chemicals, the two companies' joint venture that produces acrylic monomers in China. The currency effect added 2.4% to sales.

The division's **EBITDA** rose 8.6% year on year to **€264 million**, driven mainly by improved unit margins in downstream businesses in a favorable raw materials environment. However, market conditions were more difficult for acrylic monomers in the fourth quarter in a context of low seasonality. Over the year as a whole, the **EBITDA margin** expanded to **12.4%** (from 11.5% in 2018).

# CASH FLOW AND NET DEBT AT 31 DECEMBER 2019

In 2019, **net cash flow** represented a net outflow of **€62 million** *versus* a net inflow of €286 million in 2018. The 2019 amount includes a net cash outflow of €729 million from portfolio management operations, stemming from Arkema's acquisitions of ArrMaz and Lambson in Performance Additives and Prochimir in Adhesives, an equity interest in Carbon®, and Jurong's stake in Taixing Sunke Chemicals. In 2018, cash flows from portfolio management operations represented a net outflow of €213 million, corresponding mainly to the acquisition of XL Brands' assets in Adhesives.

Consequently, **free cash flow** (corresponding to net cash flow, excluding the impact of portfolio management operations) rose by €168 million year on year to **€667 million** (€499 million in 2018). On a comparable EBITDA basis, this performance includes this year a cash inflow linked to working capital, due to tight management and a slowdown in activity in a context of lower raw materials costs. It also reflects the reduction in income taxes paid during year in line with the change in activity levels. This working capital evolution has more than offset the €46 million increase in recurring and exceptional capital expenditure, in line with the Group's ambitious organic spending policy to support its future growth.

Total capital expenditure amounted to €635 million (€591 million in 2018), of which €511 million was recurring and €96 million exceptional. Exceptional capital expenditure of €96 million is mainly attributable to the project to double thiochemicals production capacity at Kerteh, Malaysia, and to investments relating to specialty polyamides in Asia. Recurring capital expenditure represented the equivalent of 5.8% of consolidated sales in 2019 (5.7% in 2018). This level of capital expenditure is in line with Arkema's target of controlling its capital intensity tied up and to spend, on average, around 5.5% of sales in recurring capital expenditure each year. For 2020, Arkema's recurring and exceptional expenditure is expected to amount to around €700 million, with the increase primarily corresponding to the specialty polyamides projects in Asia.

In 2019, non-recurring items represented a net cash outflow of €50 million, corresponding mainly to restructuring costs, expenses arising on the termination of a contract with a supplier and the consequences of an incident at a supplier's site.

Excluding exceptional capital expenditure, the EBITDA to cash conversion rate was 52% in 2019 (38% in 2018), thus exceeding the Group's target of 35%. This high-level performance reflects the Group's disciplined approach to maximizing cash generation, with a particular focus on tightly controlling working capital.

**Cash flow from financing activities** represented a net inflow of **€64 million** for 2019. This figure primarily includes €499 million in total net proceeds from a bond issue, €38 million net cost for the partial refinancing of hybrid bonds with a nominal amount of €400 million and the payment of a €2.50 per-share dividend for 2018, representing an aggregate payout of €190 million. The cost of share buybacks was €34 million in 2019, and interest paid on the residual €300 million of hybrid bonds issued in October 2014 amounted to €15 million.

**Net debt** amounted to **€1,631 million** at 31 December 2019 (against €1,006 million at 31 December 2018). At end December 2019, the Group's gearing stood at 31% (20% at end December 2018) and net debt (excluding the hybrid bonds accounted for in equity) represented 1.1x EBITDA of the year (the ratio at end 2018 was 0.7).

# 2020 OUTLOOK

At the date of this document, the Covid-19 epidemic continues to rapidly spread across the world, and the evolution of the situation as well as the magnitude of its impacts on the global economy are highly uncertain.

The Group is implementing all appropriate actions to address the situation, to protect its employees, and to limit consequences on operations and results, relying in particular on the Group's solid balance sheet and financing capabilities.

In this rapidly changing environment, the group indicated on 27 March during the publication of its 2019 Universal Registration Document, that its 2020 guidance, given when it published full-year results on 27 February and which excluded the impact of Covid-19, was no longer relevant.

At this point in time, the Group is not in a position to give an estimate of the impact of Covid-19 on its 2020 results.
The impact on the Group's EBITDA in first-quarter 2020 is estimated at between €40 million and €50 million. Arkema will reassess the situation on a regular basis.

# RESULTS OF THE COMPANY IN THE LAST FIVE YEARS

| **Type of disclosures**<br>*(In millions of euros unless otherwise indicated)* | **2015** | **2016** | **2017** | **2018** | **2019** |
|---|---|---|---|---|---|
| **I - Financial position at year-end** | | | | | |
| a) Share capital | 745 | 757 | 759 | 766 | 766 |
| b) Number of shares issued | 74,472,101 | 75,717,947 | 75,870,506 | 76,581,492 | 76,624,220 |
| **II - Operations and results** | | | | | |
| a) Sales (excluding taxes) | 18 | 19 | 66 | 86 | 109 |
| b) Income before tax, depreciation, impairment and provisions | 703 | 528 | 60 | 2 | 155 |
| c) Income taxes | 52 | 89 | (51) | 18 | 9 |
| d) Employee profit sharing | | | | | |
| e) Income after tax, depreciation, impairment and provisions | 754 | 767 | 485 | 522 | 165 |
| f) Amount of dividends distributed | 143 | 155 | 176 | 190 | NC |
| **III - Earnings per share** *(in euros)* | | | | | |
| a) Income after tax but before depreciation, impairment and provisions | 10.14 | 8.15 | 0.12 | 0.26 | 2.15 |
| b) Income after tax, depreciation, impairment and provisions | 10.12 | 10.13 | 6.39 | 6.82 | 2.15 |
| c) Net dividend per share | 1.90 | 2.05 | 2.30 | 2.50 | NC |
| **IV - Employee data** | | | | | |
| a) Number of employees | 7 | 9 | 9 | 8 | 8 |
| b) Total payroll | 7 | 8 | 7 | 8 | 9 |
| c) Amounts paid to employee benefit bodies in the year | 4 | 5 | 4 | 6 | 7 |

# CORPORATE GOVERNANCE

## COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors comprises thirteen members including:

- seven independent directors;
- one member representing shareholder employees; and
- one member representing employees.

It also includes six women.

The Board of Directors set up two permanent and specialized committees: the Audit and Accounts Committee and the Nominating, Compensation and Corporate Governance Committee.

The Board of Directors met eight times in 2019, including one meeting dedicated to strategy and a two-day on-site meeting, with an average global attendance rate of 95%.

### SUMMARY OF THE BOARD OF DIRECTORS COMPOSITION

| | Nationality | Age | Independent director | Year of first appointment | Year current term expires | Other directorships in listed companies | Audit and Accounts Committee | Nominating, Compensation and Corporate Governance Committee | Expertise |
|---|---|---|---|---|---|---|---|---|---|
| **Thierry Le Hénaff**<br>Chairman and CEO | French | 56 | | 2006 | 2020 | 1 | | | Chairman and CEO |
| **Yannick Assouad** | French | 61 | ♦ | 2017 | 2021 | 2 | | | Executive management, digital and industry |
| **Jean-Marc Bertrand**<br>Director representing shareholder employees | French | 62 | | 2018 | 2022 | None | | | IT and knowledge of the Group as an employee |
| **Marie-Ange Debon** | French | 54 | ♦ | 2018 | 2022 | 2 | **Chairman** | | Executive management, finance and M&A |
| **Ian Hudson** | British and Swiss | 63 | ♦ | 2019 | 2023 | 1 | ● | | Executive management, chemicals, finance and CSR |
| **Alexandre de Juniac** | French | 57 | ♦ | 2018 | 2022 | None | | ● | Executive management, industry and digital |
| **Victoire de Margerie** | French | 56 | ♦ | 2012 | 2023 | 2 | | ● | Chemistry, industry and CSR |
| **Laurent Mignon** | French | 56 | | 2006 | 2023 | 2 | | | Executive management, banking and finance, M&A |
| **Hélène Moreau-Leroy** | French | 55 | ♦ | 2015 | 2023 | None | ● | | Industry, finance and M&A |
| **Thierry Morin** | French | 68 | | 2006 | 2021 | 1 | | **Chairman** | Executive management, industry and finance |
| **Nathalie Muracciole**<br>Director representing employees | French | 55 | | 2016 | 2020 | None | | | Human resources and knowledge of the Group as an employee |
| **Marc Pandraud** | French | 61 | ♦ | 2009 | 2021 | None | | | Finance and M&A |
| **Fonds Stratégique de Participations**<br>represented by<br>**Isabelle Boccon-Gibod** | <br><br><br>French | <br><br><br>52 | | 2014 | 2022 | 4<br><br><br>3 | ● | | Industry, finance and M&A |

♦ *In accordance with the AFEP-MEDEF Code criteria set out in the Board of Directors' Internal Rules and as assessed by the Board of Directors.*

● *Member.*

## SENIOR INDEPENDENT DIRECTOR

In accordance with best practice, the Board of Directors created the position of senior independent director in 2016. The primary role of the senior independent director is to oversee the efficient running of the Company's governance structures and the absence of conflicts of interest, and to ensure that shareholders' concerns on corporate governance matters are taken into consideration.

The senior independent director performs the following duties and has the following prerogatives:

### 1. Concerning the operating procedures of the Board of Directors

- he or she may propose the inclusion of additional items on the agenda of Board meetings, if necessary;
- he or she asks the Chairman of the Board of Directors to call a Board meeting with a specific agenda in exceptional circumstances;
- he or she oversees the application of the Internal Rules for the preparation of Board meetings as well as during the meetings;
- following the annual assessment of the Board of Directors' operating procedures led by the Nominating, Compensation and Corporate Governance Committee, he or she chairs a meeting of non-executive directors, without the presence of executive directors, to discuss the operating procedures of the Company's governance structures; he or she reports the meeting's conclusions to the Chairman and Chief Executive Officer (new prerogative);
- he or she holds discussions with the Chairman of the Nominating, Compensation and Corporate Governance Committee on all matters connected with the Board's operating procedures (new prerogative);
- he or she may, on request, participate in committee meetings without the right to vote (new prerogative);
- in the event that a governance issue arises, he or she shall be the directors' main point of contact and shall hold discussions with the Chairman and Chief Executive Officer (new prerogative);
- he or she reports on his or her activities to the Board of Directors at least once a year and at any time if he or she considers it necessary.

### 2. Concerning conflicts of interest

He or she advises his or her fellow directors on the related risks. He or she reviews with the Chairman of the Board of Directors and the Nominating, Compensation and Corporate Governance Committee any potential conflicts of interest that he or she has identified or been informed of, and informs the Board of Directors of their thoughts on the matter.

### 3. Concerning shareholder relations

He or she is informed of comments and suggestions received from significant shareholders not represented on the Board of Directors about corporate governance matters. He or she ensures that they receive answers to their questions and, after consulting the Chairman and Chief Executive Officer, makes himself or herself available to communicate with them if necessary. The Board of Directors is informed about these contacts.

## ACTIVITY REPORT OF THE SENIOR INDEPENDENT DIRECTOR FOR 2019

Hélène Moreau-Leroy, director and member of the Audit and Accounts Committee, is senior independent director since 21 May 2019. Early 2020, during the governance roadshows held in January and February 2020, she had meetings with the governance teams of Arkema's main shareholders and proxy advisors, in order for them to get a better insight into the workings of Arkema's governance bodies. In addition, Hélène Moreau-Leroy was careful to hold regular, individual meetings with the directors throughout the year, in particular Thierry Morin, Chairman of the Nominating, Compensation and Corporate Governance Committee. Furthermore, Hélène Moreau-Leroy held an executive session following the Board meeting of 26 February 2020, from which the executive directors were excluded.

# DIRECTORS PROPOSED FOR RE-ELECTION

The term of office as director of Thierry Le Hénaff, Chairman and Chief Executive Officer of the Company, was last renewed on 7 June 2016, and expires at the end of the general meeting. The Board of Directors proposes that you renew this mandate for a term of 4 years.

## M. Thierry Le Hénaff

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Date of first appointment:** 6 March 2006

**Date of last renewal:** 7 June 2016

**Date appointement expires:** AGM held to approve financial statements for 2019 financial year

**Nationality:** French

**Number of shares held at 31 December2019:** 286,805

**Adresse professionnelle:** Arkema, 420 rue d'Estienne d'Orves, 92700 Colombes

### PROFESSIONAL EXPERIENCE

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. He is also a member of the Board of Directors of the École polytechnique Foundation.

After starting his career with Peat Marwick Consultants, he joined Bostik in 1992, 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.

### OTHER OFFICES CURRENTLY HELD

France

*Within the Group*

- Chairman of the Board of Directors, Arkema France

*Outside the Group*

- Member of the Supervisory Board and Audit Committee of Michelin*

International

- None

### OTHER OFFICES HELD IN THE PAST FIVE YEARS BUT NOW EXPIRED **

Expired in 2019

- None

Expired from 2015 to 2018

- Director, Eramet*

**As announced on 26 February 2020, the Board of Directors intends to reappoint Thierry Le Hénaff as Chairman and Chief Executive Officer of the Company if the shareholders approve his reappointment as director. The reappointment of Thierry Le Hénaff as director is subject to the 5th resolution.**

**The overview of the 5th resolution is detailed on page 30 below.**

* *Listed company.*

** *Outside the Arkema Group.*

# COMPENSATION OF EXECUTIVE OFFICERS

## COMPENSATION POLICY FOR EXECUTIVE OFFICERS

The Chairman and Chief Executive Officer is the Company's sole executive officer.

### GUIDING PRINCIPLES

The policy and principles governing the compensation of the Chairman and Chief Executive Officer are globally defined by the Board of Directors at each renewal of his term of office, i.e., every four years, and for the duration of his term of office, on the proposal of the Nominating, Compensation and Corporate Governance Committee, if necessary with the assistance of external consultants whose objectivity has been verified.

The Board of Directors conducts an overall assessment of the Chairman and Chief Executive Officer's compensation package, as well as a detailed review of its components, to ensure that the compensation package remains simple, easy to understand, balanced and consistent. In particular, it ensures that the compensation policy is aligned with the Group's medium and long-term strategic priorities and that it reflects both the Group's financial performance and the Chairman and Chief Executive Officer's individual performance and responsibilities. The Chairman and Chief Executive Officer does not take part in the discussions of the Nominating, Compensation and Corporate Governance Committee or those of the Board of Directors concerning his compensation.

The compensation policy takes account of the social interests of the Company and its subsidiaries, and contributes to the commercial strategy and sustainability of the Company and the Group, by allocating a variable compensation, determined based on criteria that reflect in a significant manner (i) the contribution to the Group's earnings of new developments, which promote innovation, the development of new products and the launch of new applications as well as the completion of major investment projects in line with the Group's targeted growth strategy, and (ii) the implementation of the Group's medium- and long-term strategy by the Chairman and Chief Executive Officer, including the Group's CSR issues and operational management. The compensation policy for the Chairman and Chief Executive Officer aims to provide incentives and to secure loyalty, in accordance with market practice for equivalent positions in similar French and international chemical companies and in French companies with similar market capitalizations, and to align the compensation structure with those of such companies.

The Board of Directors also takes into account the compensation and employment conditions of the employees of the Company, and in particular the equity ratios and the Group's earnings over the same period, as disclosed in section 3.4.2.2 of the 2019 Universal Registration Document. It also ensures that this compensation policy is consistent with the policy applicable to all executives of the Group.

### COMPENSATION POLICY FOR THE NEW TERM OF OFFICE

As part of the proposal to renew the term of office of the Chairman and Chief Executive Officer, the Board of Directors decided on 26 February 2020 to maintain a similar compensation structure to that adopted during the renewal of the current term of office, and unchanged since 7 June 2016. However, the Board of Directors has decided the following changes:

Subject to the favorable vote at the general meeting, this new compensation policy will come into effect on 19 May 2020. In the context of Covid-19, Mr Thierry Le Hénaff and the Board of Directors have agreed that the fixed and variable annual compensation defined as part of his new term of office will only be effective as from 1 January 2021. The current prevailing compensation will therefore continue until that date. Moreover, eager to personally join in the solidarity effort, Mr Thierry Le Hénaff, Chairman and CEO, has also decided to donate 15% of his net fixed compensation received for the 2$^{nd}$ quarter 2020 to the *Fondation de France* as part of the "All United Against Coronavirus" alliance.

#### Annual fixed compensation

In accordance with the AFEP-MEDEF Code, the annual fixed compensation is reviewed each time the Chairman and Chief Executive Officer's term of office is renewed, *i.e.*, once every four years. It is determined by taking into account the duties and responsibilities of the Chairman and Chief Executive Officer and changes in the Group's size and profile. In addition, it is benchmarked against the compensation level of chief executive officers of comparable industrial companies. This compensation was last modified when the Chairman and Chief Executive Officer's term of office as director was renewed by the annual general meeting of 7 June 2016.

The Board of Directors decided that Thierry Le Hénaff's annual gross fixed compensation would be increased to €1,000,000 (one million) from its renewal date and for the duration of his new term of office, corresponding to an annual increase of 2.67% over four years. This increase takes account of:

- cumulative annual salary increases (both general and individual increases) between 2015 and 2019 at Arkema France, which represents 77% of the Group's French workforce, corresponding to an increase of 11% during that period;

- changes in the Group's profile and profitability over the current term of office. The key figures in this regard are presented in section 3.4.2.2 of the 2019 Universal Registration Document; and
- a comparison with the fixed compensation paid to senior executives of companies included in the following two peer groups:
  - 18 French industrial companies listed on the CAC 40 and Next 20 indexes: Peugeot, Schneider Electric, Air Liquide, Solvay, EssilorLuxottica, Bureau Veritas, Michelin, Valeo, Eiffage, Compagnie de Saint-Gobain, Faurecia, Veolia Environnement, Suez, Alstom, Bouygues, Ingenico, Legrand and Thales, and
  - 8 companies from the sector at an international level: AkzoNobel, Clariant, DSM, Evonik, Lanxess, Lonza, Solvay and Wacker.

Feedback from the main shareholders during governance roadshows or following annual general meetings has also been taken into account.

### Annual variable compensation

Annual variable compensation is determined taking into account the achievement of specific, precise and demanding quantitative and qualitative targets aligned with the Group's strategy and priorities. These targets are set on an annual basis by the Board of Directors based on a proposal of the Nominating, Compensation and Corporate Governance Committee. The amount of variable compensation is determined by the Board of Directors, based on recommendations of the Nominating, Compensation and Corporate Governance Committee, after the closing of the year to which the compensation applies. For the quantitative targets, this assessment is based on pre-defined financial indicators and other figures at 31 December. Qualitative targets – which are also pre-defined – are assessed on the basis of the concrete achievements of the Chairman and Chief Executive Officer. The achievement rate for these targets is communicated, criterion by criterion, at the end of the Board of Directors' meeting held to review the performance of the Chairman and Chief Executive Officer.

Since 2008, this compensation may represent from 110 % (target) up to 150% (maximum) of the annual fixed compensation.

The Board of Directors decided to increase the Chairman and Chief Executive Officer's target bonus from 110% to 120%, and the maximum bonus from 150% to 180% of his annual fixed compensation, if performance is exceptional in relation to the targets set, with effect from the date of the annual general meeting. Again, this increase takes account of cumulative annual salary increases (both general and individual increases) between 2015 and 2019 at Arkema France, changes in the Group's profile and profitability over the current term of office, as well as a comparison with the fixed compensation paid to senior executives of companies included in the two peer groups referred to previously, and will also provide a more effective means of rewarding outperformance. The performance criteria will be the same as those that apply to the current term of office with the following weightings:

- three quantitative criteria for an overall target weighting of 90% and a maximum weighting of 135% of annual fixed compensation (representing 75% of the criteria used to determine variable compensation), with each of the criteria (i.e., EBITDA, free cash flow and contribution of new developments) weighted from 30% (target) to a maximum of 45%:
  - EBITDA, which aligns the compensation of the Chairman and Chief Executive Officer with the annual financial performance of the Group and in particular rewards the success of the actions undertaken, the ability to adapt to changing market conditions and, more generally, the good management of the Group by the Chairman and Chief Executive Officer,
  - recurring cash flow, which rewards the Group's ability to generate the cash necessary to finance its strategic ambitions and in particular its capital expenditure plans, acquisition program and dividend policy while maintaining a solid balance sheet, and
  - contribution of new developments, which promotes innovation, the development of new customers and the launch of new applications, as well as the completion of major investment projects in line with the Group's targeted growth strategy. It should be noted that although the targets to be met are set out in detail and quantified on an annual basis, the amounts involved are not disclosed for confidentiality purposes, in particular with regard to competitors. However, the Group does disclose the achievement rates for each criterion every year;
- qualitative criteria for an overall target weighting of 30% and a maximum weighting of 45% of annual fixed compensation (and 25% of the criteria used to determine the variable compensation). These qualitative criteria will continue to be based on the Group's priority areas, which involve the implementation of the Group's long-term strategy and its key priorities by the Chairman and Chief Executive Officer for one half, and the operational management of the Group for the other half, with one-third being quantifiable elements. Non-financial performance and policy are part of these qualitative criteria.

  The various indicators used to measure fulfillment of the performance criteria will be based on the annual consolidated financial statements published by Arkema in accordance with the international financial reporting standards (IFRS) applicable at the date on which the Board of Directors approved and defined the performance criteria.

  With regard to the qualitative criteria used to determine variable compensation for 2020, the Board will pay particular attention to:
  - in terms of long-term strategy, the definition of the 2024 strategy and communication with the markets as part of its Strategy Update, the continued roll-out of the Group's transformation strategy with a focus on innovation, industrial projects and M&A, the ongoing organic and external growth of Bostik, the integration of ArrMaz and the execution of synergies, progress with major industrial projects such as the PA11 one in Singapore and ramping up of innovation in materials and coatings, especially around major themes such as lightweight materials, 3D printing, batteries, durable goods and waterproofing, etc.; and
  - tracking operational management aspects such as the consolidation of workstation safety performance (with a particular focus on sensitive sites and hand accidents), continued roll-out of the CSR roadmap (particularly on climate, the circular economy and non-financial evaluation), environmental performance, continued ramp-up of cross-functional initiatives (operational and commercial excellence, cybersecurity, digitization and data management), cost control

and working capital management in a volatile economic environment, the reorganization of the Executive Committee, the continued improvement of Bostik's operational efficiency and of talent management with a focus on appointing more women to senior management positions.

In accordance with the provisions of article L. 225-37-2 of the French Commercial Code, the payment of this annual variable compensation is subject to the approval by the annual general meeting of the Chairman and Chief Executive Officer's compensation components in accordance with the conditions provided for under article L. 225-100 of said code.

### Long term compensation: performance shares

Like a number of Group employees, the Chairman and Chief Executive Officer receives an annual award of performance shares that directly links a significant portion of his compensation to the long-term performance of the Company and the Group and helps to align his interests with the best interests of the Company and its subsidiaries and the interests of shareholders. The number of shares allocated each year is reviewed every time the Chairman and Chief Executive Officer's term of office is renewed, *i.e.*, once every four years, as part of the overall review of his compensation structure. The award comprises a fixed number of shares set for the duration of his term of office, taking into account, as for the annual fixed compensation, the grantee's duties and responsibilities and changes in the Group's size and profile and its proportion of the total compensation of the Chairman and Chief Executive Officer.

The Board of Directors confirmed that 30,000 performance shares were to be awarded to the Chairman and Chief Executive Officer, which, based on fair value at the date of the board of Directors meeting and a maximum allocation of 120% (*i.e.* 36,000 shares), represents approximately 70% of the new base salary (fixed compensation plus maximum variable compensation) and approximately 45% of his total compensation package. By maintaining a fixed number of shares each year, the deadweight effect related to stock volatility can be avoided and sustainable value creation rewarded.
In accordance with the law, the AFEP-MEDEF Code and market recommendations:

- performance shares awarded to the Chairman and Chief Executive Officer only vest subject to a condition of presence and to performance conditions assessed over a period of three years, which is followed by a two-year holding period, *i.e.*, a total vesting-holding period of five years;
- since 2016, the shares awarded to the Chairman and Chief Executive Officer in respect of performance share plans may not exceed 10% of all shares awarded in any one year;
- the Chairman and Chief Executive Officer is required to retain a number of Arkema shares – either granted or otherwise acquired – equivalent to 250% of his gross annual fixed compensation; and
- in the event of forced departure, and excluding cases of dismissal for serious or gross misconduct or resignation, the Chairman and Chief Executive Officer will continue to be entitled to the shares that would have been awarded at the date of termination of his duties and which had not vested on that date – in principle on a *pro rata* basis – based on a reasoned decision of the Board of Directors. The vesting rate will be subject to fulfillment of the performance conditions set out in the plans concerned. Under no circumstances may the Board decide to accelerate vesting of the said shares.

The performance criteria for the vesting of the performance shares awarded to the Chairman and Chief Executive Officer are aligned with the Group's long-term objectives. They should continue to be underpinned by the following criteria, which since 2019, include a non-financial criterion and each criterion has a weighting of 20% of the final award:

- REBIT margin, which reflects the Group's transformation and, in particular, its ambition to strongly develop the share of adhesives in its business mix, and helps monitor the progress made by the Group in reducing its capital intensity and enhancing its resilience;
- EBITDA to cash conversion rate;
- comparative Total Shareholder Return (TSR), which helps benchmark the Arkema share performance against a peer group by factoring in both changes in share price and dividends. This criterion helps align even more closely the interests of beneficiaries with those of shareholders. The composition of the peer group is verified each year by the Board of Directors and may evolve to take account of changes in the competitive landscape;
- return on average capital employed, which helps assess the profitability of investments made and therefore the Group's discipline in selecting its investments and using its resources and its ability to create value over the long term; and
- CSR performance, which confirms the Group's commitment to its social responsibilities, particularly in terms of safety (TRIR), reducing its environmental footprint (climate) and diversity (percentage of women in senior management and executive positions).

Taking into account all five criteria and the reward for outperformance if the Group significantly exceeds its targets, the overall vesting rate may represent up to a maximum of 120% of the initial award in order to reward outperformance more effectively. The targets set for these criteria are fully consistent with the medium- and long-term targets announced to the financial market and are similar to the internal targets.

The details of these criteria as defined for the 2019 performance share plan are presented by way of example in section 3.5.1 of the 2019 Universal Registration Document.

In accordance with the recommendations of the AFEP-MEDEF Code, each year the Chairman and Chief Executive Officer formally undertakes not to use any financial instruments to hedge the risk of losses on the performance shares that he has been awarded by the Company during his term of office as Chairman and Chief Executive Officer and as long as he remains in office.

### Pension benefits

Since the Chairman and Chief Executive Officer's term of office was renewed in June 2016, when the supplementary defined benefit pension scheme governed by article L. 137-11 of the French Social Security Code *(Code de la Sécurité sociale)*, from which he has benefitted since 2006 was terminated, the Chairman and Chief Executive Officer receives an additional monthly payment corresponding to 20% of his total fixed and variable compensation for the year concerned, to enable him to build up his supplementary retirement benefits year after year.

Thierry Le Hénaff has committed to invest this amount, net of any contributions and tax, in investment vehicles dedicated to the financing of his supplementary retirement benefits.

The Board of Directors as may be necessary confirmed that this payment would be maintained.

### Severance pay

Effective from 19 May 2020, in the context of the renewal of his term of office as a director, the Chairman and Chief Executive Officer will continue to be entitled to a severance payment in the event of a forced departure, regardless of the form this departure takes and notably in the event of removal before the end of his term of office due to a change in control or strategy. It will not be due in the event of non-renewal of his term of office, serious misconduct (*i.e.*, willful wrongdoing that prevents him from continuing as a corporate officer) or gross misconduct (*i.e.*, willful wrongdoing committed with intent to harm the Company) nor in the event of resignation.

The severance payment would not exceed twice his total annual gross fixed and variable compensation. The calculation base would correspond to the fixed annual compensation for the year in which he was forced to step down and the average of the last two years of variable compensation paid prior to his departure.

The amount of this severance payment would be calculated based on the achievement of three demanding conditions, which have been simplified and modified as follows in order to further increase the level of requirements compared to the previous term of office. Each condition accounts for one-third of the amount of the payment:

- TRIR: average TRIR (total recorded injury rate) for the three years preceding departure would have to be less than or equal to 1.4, making Arkema a leader for the industry as a whole;
- annual variable compensation: on average, the annual variable compensation paid during the three years preceding departure would have to be at least 75% of the target variable amount; and
- EBITDA to cash conversion rate (defined as free cash flow excluding exceptional investments divided by EBITDA): the EBITDA to cash conversion rate must be greater than or equal to 35%. The achievement rate will be determined using the average conversion rate for the three years preceding departure.

Unchanged from his previous term of office and in accordance with the AFEP-MEDEF Code's recommendations concerning the accumulation of the severance payment and supplementary pension benefits, the severance payment that would be payable beyond the age of 60 will be reduced as follows:

- 18 months of total annual gross compensation (fixed and variable) in the event of departure beyond the age of 60; and
- 12 months of total annual gross compensation (fixed and variable) in the event of departure beyond the age of 62 years and 6 months.

No compensation would be paid in the event of departure beyond the age of 65.

### Non-compete clause

The Board of Directors considers that it is in the interests of Arkema and its shareholders to subject Thierry Le Hénaff to a non-compete clause, in accordance with the legal provisions and recommendations of the AFEP-MEDEF Code, whereby, in the event of termination of office as Chairman and Chief Executive Officer, for whatever reason, he will be bound by a non-compete obligation, limited to a period of one year from the effective date of termination of office.

The purpose of this non-compete clause is to prohibit Thierry Le Hénaff, in consideration of an indemnity to be paid to him under the conditions set out below, for a period of one year from the effective date of termination of office, from engaging, directly or indirectly, in an activity that competes with Arkema's businesses, either on his own behalf or on behalf of another company. An activity that competes with Arkema's businesses means any specialty chemicals activity carried on in the same geographic regions and sectors as those of the Arkema Group when the term of office ends.

In consideration of the non-compete undertaking, and throughout the term of the agreement, Thierry Le Hénaff will receive a monthly indemnity equal to 100% of his monthly compensation calculated based on the sum of his fixed compensation for the year in which his term of office ended and the average of his annual variable compensation paid for the last two years prior to the effective termination date. A monthly payment will be made throughout the period of this non-compete agreement.

Any breach of this non-compete obligation will require Thierry Le Hénaff to repay the monthly indemnities he has already received and the Company will no longer be liable to pay the remaining indemnities through to the end of the one-year period.

The Board of Directors may decide to waive this non-compete clause up to the effective date of termination of Thierry Le Hénaff's office at the latest. In such an event, he would no longer be bound by the constraints of the non-compete clause referred to above and the Company would be released from any commitment to pay him a non-compete compensation.

It should be noted that Thierry Le Hénaff will only be entitled to this indemnity if his departure is not concomitant with his retirement. Moreover, Thierry Le Hénaff will not be entitled to the indemnity once he reaches the age of 65. In these two cases, Thierry Le Hénaff will be released from his obligations.

Lastly, in accordance with the recommendations of the AFEP- MEDEF Code, in the event of the simultaneous application of severance pay and the non-compete compensation, the cumulative amount of these indemnities will not exceed two years of fixed and variable compensation (as defined above).

### Other benefits

The Chairman and Chief Executive Officer has the use of a company car and is covered by corporate officer unemployment insurance. He is also covered by the same group personal risk and health insurance plan as all Company employees.

### Exceptional compensation

Should a new executive director be appointed following an external recruitment process, the Board of Directors may, if necessary, in accordance with the provisions of the AFEP- MEDEF Code and on recommendations of the Nominating, Compensation and Governance Committee, decide to grant him/her exceptional compensation, mainly in the form of long-term compensation subject to performance conditions and arrangements that guarantee his/her attachment to the Company, in order to compensate him/her for any compensation lost as a result of accepting this new position. If this were to happen, the Company would disclose precise information concerning the amount and form of this compensation.

Should the aforementioned compensation policy not be approved by the annual general meeting, the compensation policy approved by the annual general meeting of 21 May 2019 (9th resolution) will continue to apply to the Chairman and Chief Executive Officer.

All the information required in accordance with Article L. 225-37-2 of the French Commercial Code are detailed in the 2019 Universal Registration Document on pages 116 to 124, and includes, among other information, the information submitted to the shareholders' vote at the annual general meeting in the **7th resolution** on pages 119 to 124. Furthermore, an *addendum* incorporating the decisions of the Board at its meeting of 14 April 2020 and changing the Board's report on corporate governance is posted on the Company's website (www.finance.arkema.com in the 2020 Annual General Meeting section).

## COMPONENTS OF COMPENSATION DUE OR AWARDED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2019 SUBMITTED TO SHAREHOLDERS' APPROVAL

In accordance with the provisions of article L. 225-100 II and III of the French Commercial Code, components of compensation due or awarded to Thierry Le Hénaff, Chairman and Chief Executive Officer of the Company and Company's sole executive director, for the year ended 31 December 2019 are submitted to the shareholders' vote at this annual general meeting in the **9th resolution** as follows:

| Components of compensation submitted to a shareholder vote | Amounts paid during 2019 | Amounts awarded for the 2019 financial year or accounting valuation | Presentation |
|---|---|---|---|
| Fixed compensation | €900,000 | N/A | In the context of the renewal of Thierry Le Hénaff's term of office as a director, approved at the annual general meeting of 7 June 2016, his annual fixed compensation was set at €900,000 per year, from this date and for the duration of his term as a director. |
| Annual variable compensation | €1,350,000 | €1,143,000 | The amount of the variable portion due for 2019, which could represent up to 150% of the annual fixed compensation, was set by the Board of Directors on 26 February 2020, on the basis of the quantitative and qualitative criteria set by the Board of Directors in 2019 and the fulfillment of these criteria noted on 31 December 2019, as follows:<br>• **concerning the three quantitative criteria** linked to the Group's financial performance, the achievement rates by criterion were as follows:<br>◦ 58.2% for EBITDA, whose maximum weighting represents 55%, and which reached €1,430 million in 2019 (excluding the M&A impact), close to the record level reached in 2018, despite an increasingly challenging economic environment marked by persistent geopolitical tensions and uncertainty that weighed on demand in certain end-markets;<br>◦ 100% for recurring cash flow, whose maximum weighting represents 27.5%. Recurring cash flow reached an excellent level in 2019, totaling €713 million. The EBITDA to cash conversion rate exceeded 50% and reached its highest ever level. This performance reflects the Group's very solid operational performance and notably includes a cash inflow linked to working capital, which reflects tight management of inventories, lower raw material costs and the ability to adapt to weaker demand at the end of the year. This strong cash flow, which was achieved while keeping recurring capital expenditure within budget, in line with the organic growth strategy, enabled the Group to maintain its net debt at around €1.6 billion, representing 1.1 times annual EBITDA (or 1.6 times including the hybrid bonds); and<br>◦ 100% for the contribution of new developments, whose maximum weighting represents 27.5%. The Board of Directors took into account the commercial success from its main innovation platforms, assessed using a reporting table that tracks the evolution of the margin on variable costs of various pre-defined products, the development of (also pre-defined) new customers, growth in emerging geographies, and the introduction of new applications over the year. For 2019, the Board noted in particular the following examples with significant evolution: 3D printing, materials for batteries, lighter materials, and high-performance adhesives such as hot-melt encapsulation adhesives in the automotive industry, adhesives for flexible packaging and thin diapers, and specialty sealants. It also stressed the contribution of new developments in downstream acrylics and PMMA in high value-added products.<br>The variable compensation due in respect of the quantitative criteria thus amounted to 87% of the annual fixed compensation; and |

| Components of compensation submitted to a shareholder vote | Amounts paid during 2019 | Amounts awarded for the 2019 financial year or accounting valuation | Presentation |
|---|---|---|---|
| | | | • **concerning the qualitative criteria,** 50% of which involved the implementation of the Group's strategy and main operational priorities, and the other 50% operational management issues, the notable achievements include:<br>◦ regarding the implementation of the Group's strategy and main operational priorities: 2019 was marked by a high density of M&A projects and an increase in the share of specialties within the portfolio, with the signing of the divestment of the Functional Polyolefins business, and the acquisitions of ArrMaz, Prochimir, Lambson and LIP. The acquisition of Taixing Jurong Chemicals' stake in the Sunke joint-venture is also noteworthy. In terms of capital expenditure, the Board of Directors further acknowledged the completion or progress achieved in several industrial projects that are significant and key for the Group's long-term positioning, such as the extension of the thiochemicals plant in Malaysia, and the finalization of the amino 11 monomer and Rilsan® polyamide 11 world-scale manufacturing plant layout in Singapore. The Board of Directors also acknowledged Bostik's continued progression, with high-teens EBITDA growth and an EBITDA margin close to 13%, together with confirmation – and strong growth in – the Group's long-term strategic focus areas driven by innovation priorities (batteries, MS polymers, lightweight materials, 3D printing, etc.). The inauguration of the 3D printing center of excellence in Serquigny (France) and the opening of the joint R&D center in composites with Hexcel were also taken into account;<br>◦ regarding operational management aspects, one-third of which were quantifiable: the consolidation of workstation safety performance with a TRIR of 1.4 accidents per million hours worked, with a record low level of accidents for external companies (TRIR of 1 compared to 2.3 in 2018), the completion on time and on budget of key industrial projects, notably the polyamide powders plant in Mont (France), the expansion of Sartomer in China and of the acrylic acid production unit at Clear Lake (United States), as well as the benefits of the pricing and product mix policy for downstream activities. The major efforts with respect to competitiveness, in particular in the second half of the year with a range of savings on fixed and variable costs, which largely offset inflation, were also highlighted. The Board also acknowledged the ramp-up of several major cross-functional projects launched or stepped up in 2019, such as CSR with an update of the materiality assessment used to redefine priorities and the roll-out of the Portfolio Sustainability Assessment and the CSR culture, the commercial excellence with the creation of the Sales Academy, the deployment of customer relationship management software and the sales and margin reporting tool, as well as the ramp-up of cyber security and digital initiatives, notably more widespread use of "Travailler Malin" local smart work applications and of supply chain management, with over 40% of managers trained in 2019 following the creation of the Sales Academy in 2018. Finally, it noted the proactive management of the Company's managers and talents, in particular the replacement of the Chief Human Resources Officer, the strengthening of Bostik's organizational structure, the increase in the percentage of women in senior management and executive positions to over 23% (versus 21% in 2018) and the accelerated development of the Group's digital culture.<br>In light of all of these achievements, and in particular those achieved in particularly volatile circumstances and remarkably well handled by Thierry Le Hénaff, the achievement rate of these qualitative criteria was set at 100%. Consequently, the variable compensation due in respect of qualitative criteria was set at 40% of the annual fixed compensation.<br>In total, the 2019 variable compensation amounts to 1,143,000 euros, 15.3% less than in 2018. It reflects the high-level performance over the year and the continued transformation of the Group's profile, in a context of tougher market conditions. It represents 127% of the 2019 annual fixed compensation and an overall achievement rate of 84.66% of the maximum.<br>The payment of this annual variable compensation is subject to shareholders' approval at the annual general meeting to be held on 19 May 2020 under the 9th resolution. |

| Components of compensation submitted to a shareholder vote | Amounts paid during 2019 | Amounts awarded for the 2019 financial year or accounting valuation | Presentation |
|---|---|---|---|
| Deferred variable compensation | N/A | N/A | Thierry Le Hénaff receives no deferred variable compensation. |
| Exceptional compensation | N/A | N/A | Thierry Le Hénaff receives no exceptional compensation. |
| Compensation for serving as a director | N/A | N/A | Thierry Le Hénaff receives no compensation from Arkema for serving as a director. |
| Stock options | N/A | N/A | Thierry Le Hénaff does not receive any stock options. |
| Performance shares | N/A | €1,731,900 | Making use of the authorization granted by the annual general meeting of 21 May 2019 (13th resolution), at its meeting of 29 October 2019, the Board of Directors awarded 30,000 performance shares (representing 0.04% of share capital) to Thierry Le Hénaff (out of a total of 368,980 shares granted to around 1,600 grantees, representing 8% of the performance share grant).<br>The shares will vest at the end of a three-year period subject to a presence condition and if five performance targets are met: REBIT margin, EBITDA to cash conversion rate, comparative Total Shareholder Return, return on average capital employed and Arkema's CSR performance (comprising three indicators: TRIR (7%), Climate (6%) and percentage of women in senior management (7%)). Each criterion is applied to 20% of the awarded rights. The vesting period is followed by a two-year mandatory holding period. Further details on the criteria may be found in section 3.5.1 of the 2019 Universal Registration Document.<br>In the event of outperformance, and pursuant to the aforementioned performance conditions set out in section 3.5.1 of the 2019 Universal Registration Document, this award could rise to 36,000 shares, or 120% of the maximum awarded. |
| Pension | €450,000 | €408,600 | Since 7 June 2016, when the supplementary defined benefit pension scheme (governed by article L. 137-11 of the French Social Security Code) from which he benefitted was terminated, Thierry Le Hénaff benefits from an additional annual payment corresponding to 20% of his total fixed and variable compensation for the year concerned, to enable him to build up his supplementary retirement benefits, year after year.<br>Thierry Le Hénaff has committed to invest this entire amount, net of any contributions and tax, in investment vehicles dedicated to the financing of his supplementary retirement benefits. |
| Benefits in kind | N/A | €6,720 | Thierry Le Hénaff has the use of a company car. |

## COMPONENTS OF COMPENSATION DUE OR AWARDED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2019 ALREADY SUBMITTED AND APPROVED BY THE SHAREHOLDERS

| Components of compensation submitted to a shareholder vote | Amounts paid during 2019 | Amounts awarded for the 2019 financial year or accounting valuation | Presentation |
|---|---|---|---|
| *Severance pay* | *No payment [(1)]* | *N/A* | *Thierry Le Hénaff benefits, as part of his term of office, from a severance package in an amount not exceeding two years' gross fixed and variable compensation, calculated based on the achievement of five quantitative criteria set by the Board of Directors and approved by the annual general meeting (total recordable injury rate [TRIR], annual variable compensation, comparative EBITDA margin, working capital and return on capital employed).*<br>*The amount of this package will be calculated on the basis of the fulfillment of the following five demanding performance conditions:*<br>• *TRIR: the total recordable injury rate (TRIR) would have to have decreased by at least 5% per year (average compound rate) between 31 December 2010 and the date at which the performance condition is assessed;*<br>• *annual variable compensation: on average, the annual variable compensation paid during the three years preceding departure would have to be at least 50% of the maximum amount payable;*<br>• *return on capital employed: the average of net operating income over capital employed (recurring operating income – actual income tax[(2)])/(capital employed – provisions) for the last three years prior to the termination date would have to exceed the Group's cost of capital for the year preceding his reappointment, i.e., 7% in 2015. Capital employed and provisions are those at year-end, and recurring operating income of companies acquired during the year would be included on a full year basis and that of divested companies would be excluded;*<br>• *working capital: the year-end working capital over annual sales ratio would have to have decreased by at least 2.5% per year (average compound rate) between 31 December 2005 and the date at which the performance condition is assessed; and*<br>• *comparative EBITDA margin: this financial performance indicator will continue to be measured against that of competitors in the chemicals industry comparable to the Arkema Group. The growth in the Group's EBITDA margin would have to be at least equal to the average growth in the EBITDA margin of the companies in the peer group between 31 December 2005 and the date at which the performance condition is assessed.*<br>*The value of the end-of-period index to be taken into account for the computation of the above criteria would be the average of the indices calculated at Group level over the three years for which financial statements have been published prior to the termination date.*<br>*The severance package allocation scale is determined as follows:*<br>• *if 5 conditions were met, Thierry Le Hénaff would receive 100% of the maximum of the severance package;*<br>• *if 4 out of 5 conditions were met, Thierry Le Hénaff would receive 90% of the maximum of the severance package;*<br>• *if 3 out of 5 conditions were met, Thierry Le Hénaff would receive 70% of the maximum of the severance package;*<br>• *if 2 out of 5 conditions were met, Thierry Le Hénaff would receive 40% of the maximum of the severance package;*<br>• *if fewer than 2 conditions were met, no severance pay would be payable.*<br>*In addition, the Board of Directors has decided to gradually reduce the maximum severance pay that would be payable to 18 months of total annual gross compensation (fixed and variable) beyond the age of 60, and 12 months of total annual gross compensation (fixed and variable) beyond the age of 62 years and six months. No compensation would be paid in the event of departure beyond the age of 65.*<br>*In accordance with the related-party agreements and commitments procedure, this commitment was authorized by the Board of Directors' meeting of 2 March 2016, and approved by the annual general meeting of 7 June 2016 (5th resolution).* |
| *Non-compete compensation* | *N/A* | *N/A* | *Thierry Le Hénaff is not entitled to any non-compete compensation.* |

*(1) Estimate of the amounts payable at 31 December 2019, in a theoretical case of forced departure, in accordance with the provisions of article L. 225- 37- 3, I, 4° of the French Commercial Code: €4,500,000.*

*(2) On recurring income (in particular excluding the impact of M&A, restructuring operations).*

Equity ratios between the compensation of the Chairman and Chief Executive Officer and the average and median compensation of the Company's employees as well as the annual change in compensation, Company performance, average compensation of the Company's employees (other than executives) and the above-mentioned ratios over the last five years are described in section 3.4.2.2 of the 2019 Universal Registration Document.

# COMPENSATION POLICY FOR NON-EXECUTIVE DIRECTORS

The annual general meeting of 18 May 2018 set the maximum annual amount of compensation that the Board of Directors may allocate between its members and those of the specialized committees at €650,000. In accordance with the recommendations of the AFEP-MEDEF Code, these allocation rules take account of the directors' membership of the Board of Directors and/or its committees, and their effective participation in meetings, by making the variable portion of their compensation predominant. The amounts allocated are adapted in accordance with the level of responsibility entrusted to directors and the time they must devote to their duties. The compensation and employment conditions of the Company's employees are also an integral part of the process for determining and revising the compensation policy and are taken into account when analyzing the consistency of the compensation structure in place. Rules are also designed to comply with Group policy on preventing potential conflicts of interest between the directors and the Company.

At its meeting of 26 February 2020, the Board of Directors decided to propose to the annual general meeting that the maximum amount of compensation it may allocate between its members be increased from €650,000 to €800,000. The proposed increase is based on a survey of the compensation of corporate officers of Next 20 companies of comparable size and is justified by the increase in the duties and responsibilities of the Board and its committees, as well as the need to attract candidates with the required skills and expertise in the future. The increase will also provide flexibility in the event that additional meetings need to be held. The Board of Directors also proposes the following changes to the rules for allocating directors' compensation from 2020, for a period of four years:

- an annual fixed amount of €25,000 per director paid on a *pro rata* basis in the event of a change during the year (unchanged); and
- a more predominant variable amount based on directors' attendance in accordance with the AFEP-MEDEF Code, as follows:
  - €3,500 per director present at a Board of Directors' meeting, except for exceptional meetings held by conference call and of a shorter duration for which the variable amount is set at €1,750 per director present, and
  - €2,500 per member present at a meeting of one of the specialized committees, except for the Chairman of each committee who receives €5,000. When exceptional meetings are held by conference call and are of a shorter duration, the variable portion is set at €1,250 per member in attendance and €2,500 for the Chairman.

These new compensation arrangements for directors (apart from the Chairman and Chief Executive Officer) take into account the best interests of the Company, as well as its commercial strategy and sustainability and that of the Group, by allocating a predominant variable portion that is contingent on directors' attendance at meetings of the Board of Directors or its committees, to ensure that they are fully committed to their duties.

The senior independent director will continue to receive additional annual fixed compensation of €10,000.

The Chairman and Chief Executive Officer and directors exercising functions within a Group company do not receive any compensation for these duties.

Directors' compensation policy starting in 2020 for a term of 4 years, including the total annual amount which can be allocated to directors, which is described above, is subject to the vote of the annual general meeting under the **6th resolution** in accordance with the provisions of articles L. 225-37-2 and L. 225-45 of the French Commercial Code.

In the context of Covid-19, the Board of Directors, at its meeting of 14 April 2020, decided however that the evolution of the rules for allocating Directors' compensation, *i.e.* increase of the variable part linked to the attendance of the Directors to the Board and Committees' meetings, will only take effect as from 1 January 2021. Until that date, rules for allocating Directors' compensation as applicable in 2019 will continue to be applicable.

## IMPLEMENTATION OF COMPENSATION POLICY FOR EXECUTIVE OFFICERS (EXCLUDING THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER) FOR 2019

In accordance with the compensation policy set out above and in section 3.4.1.1 of the 2019 Universal Registration Document (pages 116 and 117), compensation awarded to non-executive directors for 2019 amounted to €549,250 (compared to €500,000 for 2018), allocated as follows based on their attendance rates.

| | 2019 | | 2018 | |
|---|---|---|---|---|
| *(In euros)* | **Amounts awarded** | **Amounts paid** | **Amounts awarded** | **Amounts paid** |
| Yannick Assouad, director<br>Compensation | 46,000 | 46,000 | 43,000 | 43,000 |
| Jean-Marc Bertrand, director representing shareholder employees<br>Compensation | None (1) | None (1) | None (1) | None (1) |
| Isabelle Boccon-Gibod, permanent representative of the FSP, director<br>Compensation | 58,000 | 58,000 | 55,000 | 55,000 |
| Marie-Ange Debon, director<br>Compensation | 70,000 | 70,000 | 43,750 (2) | 43,750 (2) |
| François Enaud, director<br>Compensation | 26,000 (3) | 26,000 (3) | 59,000 | 59,000 |
| Ian Hudson, director<br>Compensation | 37,250 (4) | 37,250 (4) | None | None |
| Alexandre de Juniac, director<br>Compensation | 53,000 | 53,000 | 29,750 (2) | 29,750 (2) |
| Victoire de Margerie, director<br>Compensation | 46,500 | 46,500 | 47,000 | 47,000 |
| Laurent Mignon, director<br>Compensation | 41,500 | 41,500 | 43,000 | 43,000 |
| Hélène Moreau-Leroy, director<br>Compensation | 68,000 | 68,000 | 57,000 | 57,000 |
| Thierry Morin, director<br>Compensation | 60,000 | 60,000 | 52,000 | 52,000 |
| Nathalie Muracciole, director representing employees<br>Compensation | None (5) | None (5) | None (5) | None (5) |
| Marc Pandraud, director<br>Compensation | 43,000 (6) | 43,000 (6) | 43,000 (6) | 43,000 (6) |
| **TOTAL** | **549,250** | **549,250** | **500,000** (7) | **500,000** (7) |

*(1) Jean-Marc Bertrand is on the payroll of Arkema France and does not receive any compensation as a director representing shareholder employees.*
*(2) Marie-Ange Debon and Alexandre de Juniac have been directors of the Company since 18 May 2018.*
*(3) François Enaud's term of office as director expired at the annual general meeting held on 21 May 2019.*
*(4) Ian Hudson has been a director of the Company since 21 May 2019.*
*(5) Nathalie Muracciole is on the payroll of Arkema France and does not receive any compensation as a director representing shareholder employees.*
*(6) Marc Pandraud declines all amounts due to him in return for his work as a director of Arkema and requests that the Company donate his compensation to charity.*
*(7) This amount includes compensation paid to directors, whose terms of office expired in 2018.*

With the exception of Jean-Marc Bertrand, director representing shareholder employees, and Nathalie Muracciole, director representing employees, who are each paid a salary by Arkema France, the non-executive directors received no other compensation or benefits in 2019 from the Company. Furthermore, no compensation other than that mentioned above and paid by the Company was paid to non-executive directors by other Group companies during the year.

In accordance with the provisions of Article L.225-100 II of the French Commercial Code, the compensation policy of non-executive directors set out above is submitted to the shareholders' vote at the annual general meeting in the **8th resolution**.

# PROPOSED AGENDA AND 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 2019;
- Approval of the consolidated financial statements for the year ended 31 December 2019;
- Allocation of profit for the year ended 31 December 2019 and distribution of dividends;
- Statutory auditors' special report on related-party agreements and commitments referred to in articles L. 225-38 *et seq.* of the French Commercial Code *(Code de commerce);*
- Reappointment of Thierry Le Hénaff as a member of the Board of Directors;
- Approval of the compensation policy for directors (other than the Chairman and Chief Executive Officer) ***and setting of the total annual compensation allocated to the members of the Board of Directors***;
- Approval of the compensation policy for the Chairman and Chief Executive Officer;
- Approval of the information provided for in the report on corporate governance relating to the remuneration of executive officers (Article L. 225-37-3 I of the French Commercial Code);
- Approval of the components of compensation paid in or awarded to the Chairman and Chief Executive Officer for the year ended 31 December 2019;
- Reappointment of KPMG Audit as statutory auditor;
- Authorization granted to the Board of Directors to carry out a share buyback program.

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### 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 other than those referred to in article L. 411-2 1° of the French Monetary and Financial Code *(Code monétaire et financier)*, without preferential subscription rights but with a mandatory 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 a public offering referred to in article L. 411-2 1° of the French Monetary and Financial Code;
- Authorization granted to the Board of Directors, in the event of the issue of shares in the Company 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 issue shares in the Company immediately and/or in the future;
- Delegation of authority granted to the Board of Directors to carry out capital increases reserved for members of a company savings plan *(Plan d'épargne entreprise)* without preferential subscription rights;
- Amendment of articles 8, 10.1.4, 10.2, 10.3 and 12 of the Company's Articles of Association;
- Powers to carry out formalities.

# 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

OVERVIEW

*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 2019.*

**FIRST RESOLUTION**

*(Approval of the Company's financial statements for the year ended 31 December 2019)*

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 2019, the Board of Directors' management report and the statutory auditors' reports, approves said financial statements as well as the transactions reflected therein and described in said reports.

In accordance with the provisions of article 223 *quater* of the French Tax Code *(Code général des impôts)*, the annual 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 2019)*

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 2019, 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 therein and described in said reports.

### 3RD RESOLUTION | Allocation of profit and distribution of dividends

OVERVIEW

*The purpose of the **3rd resolution** is to approve the distribution of a **2.20** euros per share dividend, representing a **decline of 12%** relative to last year. The pay-out ratio amounts to **27%** of the Group's adjusted net income.*

*The Group has reaffirmed its confidence in its ability to withstand the economic crisis linked to Covid-19 despite the significant drop in global demand expected in the 2nd quarter. Nevertheless, in the spirit of solidarity and responsibility towards all stakeholders, Arkema's Board of Directors has decided to reduce the proposed dividend for the 2019 financial year as stated on 26 February 2020 to **two euros and twenty cents (2.20 euros)** per share, representing a decline close to 20% compared to the amount announced originally.*

**THIRD RESOLUTION**

*(Allocation of profit for the year ended 31 December 2019 and distribution of dividends)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, and having noted that the Company's financial statements for the year ended 31 December 2019 show a profit of €164,980,613.38, plus prior retained earnings of €1,904,744,218.24, decides, as recommended by the Board of Directors, to allocate the profit for the financial year as follows:

***Source***

| | |
|---|---|
| Profit for the period | €164,980,613.38 |
| Prior retained earnings | €1,904,744,218.24 |
| Distributable profit | €2,069,724,831.62 |

***Allocation***

| | |
|---|---|
| Legal reserve | €1,042,728 |
| Dividend distribution (1) | ***€168,573,284*** |
| Retained earnings | ***€1,900,108,819.62*** |

*(1) The total dividend distribution is calculated on the basis of the number of shares carrying dividend rights at 1 January 2019 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 held by the Company.*

Accordingly, the annual general meeting decides to pay a dividend of ***€168,573,284*** with regard to the 76,624,220 shares carrying dividend rights on 1 January 2019 and existing on the date of the Board of Directors' meeting adopting the proposed resolutions, corresponding to a distribution of ***two euros and twenty cents*** (***€2.20***) per share, it being specified that full powers are granted to the Board of Directors to set the definitive total amount of the dividend, the balance of distributable income and consequently the amount to be allocated to retained earnings.

The shares will trade ex-dividend as of 25 May 2020 and the dividend for the 2019 financial year will be paid on 27 May 2020.

The dividend is eligible for the 40% tax relief 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 | 2019 | 2018 | 2017 |
|---|---|---|---|
| Net dividend per share *(in euros)* | ***2.20*** (1) | 2.50 (1) | 2.30 (1) |

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

## 4TH RESOLUTION | Approval of related party agreements

OVERVIEW

*In accordance with the law, the Board of Directors performed its annual review of the related-party agreements entered into and authorized during previous years, and still in place during the year ended 31 December 2019. It noted that the only agreement in force in 2019, already approved by the annual general meeting of 7 June 2016, is the commitment related to the early termination of the Chairman and Chief Executive Officer's term of office.*

*In addition, no new agreements nor commitments that had not already been approved by the annual general meeting were entered into during the 2019 financial year.*

*Consequently, the purpose of the* ***4th resolution*** *is to duly note the information relating to the related-party agreements and commitments as set out in the statutory auditors' special report. This report is included in section 7.1 of the 2019 Universal Registration Document.*

### FOURTH RESOLUTION

*(Approval of the statutory auditors' special report on related-party agreements and commitments 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, in which no new agreement is identified, duly notes the information relating to the agreements entered into and the commitments made during the financial year and prior financial years and approved by the annual general meeting.

## 5TH RESOLUTION | Composition of the Board of Directors

OVERVIEW

*The purpose of the **5th 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 a 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 decisive role of Thierry Le Hénaff, Chairman and Chief Executive Officer of Arkema since its creation in 2006, and therefore on his role as "Arkema founder", in leading the Group's transformation, from its precarious and heterogeneous beginnings to a major, competitive and socially committed player in specialty chemicals and advanced materials, enjoying a player leading industrial and commercial presence and a balanced geographical footprint, with strong positions in Europe, North America and Asia.*

*Within the scope of its decision, the Board of Directors ensured that Arkema's governance structures operated fluidly and efficiently and in strict respect of the balance of powers thanks to the robust checks and balances set up within the Group, such as:*

- *limitations of the powers of the Chairman and Chief Executive Officer, who is notably required to submit the most significant operations to the Board of Directors for prior approval, such as any industrial investment for an amount greater than €80 million and any proposed acquisition or disposal with an enterprise value of more than €130 million;*
- *the appointment in March 2016 of a senior independent director whose primary role is to oversee the efficient running of the Company's governance structure and to assist the Chairman and Chief Executive Officer as needed, in particular in his relations with shareholders on governance issues. The senior independent director's role and responsibilities, which were enhanced in early 2020 with a systematic, annual executive session (in addition to the meeting held each year within the scope of discussions about the Chairman and Chief Executive Officer's compensation, without his presence) and his access, on request, to meetings of the Nominating, Compensation and Corporate Governance Committee on governance issues falling within the scope of his role, are described in detail in the Board of Directors' Internal Rules available on the Company's website, www.arkema.com. They are set out in section "Senior independent director" of this document on page 15;*
- *Board members who have a range of diverse and complementary skills, as well as strong, independent and committed personalities, allowing for open, adversarial and constructive discussions;*
- *the presence of a large majority of independent members on the Board – 64% at the date of this document – and its committees (3/4 for the Audit and Accounts Committee and 2/3 for the Nominating, Compensation and Corporate Governance Committee), i.e., higher than the rates recommended by the AFEP-MEDEF Code, and committee Chairmen who are, in principle, all independent;*
- *the close involvement of all members of the Board of Directors in the Group's strategy and the implementation thereof (notably in consideration of the aforementioned limitations) at each Board meeting and in particular during the annual strategy seminar and the annual on-site meeting in France or abroad;*
- *a more direct link to Arkema's management teams thanks to their considerable involvement in various meetings and events; and*
- *a Chairman and Chief Executive Officer who is not a member of any of the Board's specialized committees and who does not attend any meeting dealing with his reappointment, the assessment of his performance and the setting of his compensation.*

*The Board of Directors considers that the presence of Thierry Le Hénaff at the head of the Company, in one single role, is necessary to complete Arkema's ongoing transformation into a coherent and profitable world leader within specialties around specialty adhesives, advanced materials, and coating solutions, and to continue to enhance the Group's profile.*

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

### FIFTH RESOLUTION

*(Reappointment of Thierry Le Hénaff as a 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 reappoint him for a term of four (4) years expiring at the close of the annual general meeting to be held in 2024 to approve the financial statements for the year ending 31 December 2023.

## 6TH AND 7TH RESOLUTIONS

# Approval of the compensation policy for directors and the Chairman and Chief Executive Officer

OVERVIEW

*In accordance with article L. 225-37-2 of the French Commercial Code, as amened by law no. 2019-486 of 22 May 2019 relating to the growth and transformation of companies (Loi "Pacte"):*

- *In the **6th resolution**, and in accordance with article L. 225-37-2 of the French Commercial Code as amended by French Law no. 2019-486 of 22 May 2019 (Loi "Pacte"), the Board of Directors recommends that you **approve the compensation policy for non-executive directors, other than the Chairman and Chief Executive Officer**, as defined by the Board of Directors on the recommendation of the Nominating, Compensation and Corporate Governance Committee and presented in the corporate governance report provided for in article L. 225-37 of said Code, including the increase of the total annual amount to be allocated to the non-executive directors, in accordance with the provisions of article L. 225-45 of said Code. This compensation policy is presented in section 3.4.1.1 of the 2019 Universal Registration Document, on pages 116 and 117 supplemented by the addendum to the corporate governance report published on 15 April 2020 on the Company's website, and on page 25 of this document.*

- *In the **7th resolution**, the Board of Directors recommends that you **approve the compensation policy for the Chairman and Chief Executive Officer** as defined by the Board of Directors, on the recommendation of the Nominating, Compensation and Corporate Governance Committee and presented in the corporate governance report provided for in article L. 225-37 of the French Commercial Code. This compensation policy is presented in section 3.4.2.1 of the 2019 Universal Registration Document, on pages 119 to 124 supplemented by the addendum to the corporate governance report published on 15 April 2020 on the Company's website, and on pages 17 to 21 of this document.*

### SIXTH RESOLUTION

*(Approval of the compensation policy for directors, other than the Chairman and Chief Executive Officer and **setting of the total annual compensation allocated to the members of the Board of Directors**)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having considered the Board of Director's report and the corporate governance report referred to in article L. 225-37 of the French Commercial Code **and its *addendum* published on 15 April 2020** describing the compensation policy for directors (other than the Chairman and Chief Executive Officer), approves said policy as presented in section 3.4.1.1 of the 2019 Universal Registration Document, in compliance with article L. 225-37-2 II of the French Commercial Code, **supplemented by said *addendum***, and sets in compliance with **article L. 225-45 of the French Commercial Code the total maximum amount of annual compensation allocated to members of the Board of Directors at 800,000 euros.**

### SEVENTH RESOLUTION

*(Approval of the compensation policy for the Chairman and Chief Executive Officer)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having considered the corporate governance report referred to in article L. 225-37 of the French Commercial Code **and its *addendum* published on 15 April 2020** describing the compensation policy for the Chairman and Chief Executive Officer, approves said policy as presented in section 3.4.2.1 of the 2019 Universal Registration Document, in compliance with article L. 225-37-2 II of the French Commercial Code, **supplemented by said *addendum*.**

## 8TH RESOLUTION

# Approval of the information provided for in the report on corporate governance relating to the remuneration of executive officers (article L. 225-37-3 I of the French Commercial Code)

OVERVIEW

*Pursuant to article L. 225-100 II of the French Commercial Code, the purpose of the **8th resolution** is to submit to the approval of shareholders the information about the compensation of directors, including the Chairman and Chief Executive Officer, referred to in article L. 225-37-3 I of the French Commercial Code, and presented in the corporate governance report provided for in article L. 225-37 of said Code. This information is provided in details in sections 3.4.1.2 and 3.4.2.2 of the 2019 Universal Registration Document, on pages 117, 118 and 124 to 129, and on pages 21 to 24 and 26 of this document.*

#### EIGHTH RESOLUTION

*(Approval of the information provided for in the report on corporate governance relating to the remuneration of executive officers (article L. 225-37-3 I 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 corporate governance report referred to in article L. 225-37 of the French Commercial Code, approves the information provided for in article L. 225-37-3 I and presented in sections 3.4.1.2 and 3.4.2.2 of the 2019 Universal Registration Document, in compliance with article L. 225-100 II of the French Commercial Code.

## 9TH RESOLUTION | Approval of the components of compensation paid in or awarded to the Chairman and Chief Executive Officer for the year ended 31 December 2019

### OVERVIEW

*Pursuant to article L. 225-100 III of the French Commercial Code, the purpose of the **9th resolution** is to submit to the approval of shareholders the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded for the year ended 31 December 2019 to Thierry Le Hénaff, Chairman and Chief Executive Officer. Payment of the variable compensation due for the past financial year is subject to the approval of this resolution.*

*The components of the remuneration are set out in detail in section 3.4.2.2 of the 2019 Universal Registration Document, on pages 124 to 129 and on pages 21 to 24 of the present document.*

#### NINTH RESOLUTION

*(Approval of the components of compensation paid in or awarded to the Chairman and Chief Executive Officer for the year ended 31 December 2019)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, and having considered the corporate governance report referred to in article L. 225-37 of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid in or awarded for the year ended 31 December 2019 to Thierry Le Hénaff, as presented in chapter 3, section 3.4.2.2 of this document, in compliance with article L. 225-100 III of the French Commercial Code.

## 10TH RESOLUTION | Reappointment of a statutory auditor

### OVERVIEW

*As the term of office of KPMG Audit as co-statutory auditor is due to expire at the close of this annual general meeting, the purpose of the **10th resolution** is to **re-appoint** it for a term of **six financial** years.*

#### TENTH RESOLUTION

*(Reappointment of KPMG Audit as statutory auditor)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, and having noted that the term of office of KPMG Audit as statutory auditor is due to expire at the close of this meeting, decides to reappoint it for a term of six (6) financial years, *i.e.* until the ordinary general meeting to be held in 2026 to approve the financial statements for the year ending 31 December 2025.

## 11TH RESOLUTION | Share buybacks

OVERVIEW

*The purpose of the **11th resolution** is to **renew the authorization** granted to the Board of Directors by the annual general meeting on 21 May 2019 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 of a takeover bid for the Company's shares is filed by a third party and until the end of the offer period.***

***Main characteristics of the proposed share buyback program***

*Maximum purchase price: **€100** per share*

*Overall theoretical maximum aggregate amount that may be allocated to the share buyback program (based on the share capital at 31 December 2019): 766,242,200 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 primarily, for the purpose of covering the Company's performance share plans*

*Length of the authorization: 18 months*

***Use of the previous authorization***

*Between 21 May 2019 and 31 March 2020, the Company repurchased 282,000 shares. At 31 December 2019, the Company owned 131,028 treasury shares that were all allocated for the purpose of covering the performance share plans put in place in order to foster the loyalty and motivate Group's employees. These treasury shares are used to vest performance shares without any dilutive effect for shareholders.*

*The detailed information related to the current and proposed share buyback programs is presented in paragraph 6.2.4 of the 2019 Universal Registration Document on pages 347 to 349.*

### ELEVENTH RESOLUTION

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

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, authorizes the Board of Directors, or any person duly authorized to act on its behalf, to purchase or arrange to have purchased shares in the Company in accordance with articles L. 225-209 et seq. of the French Commercial Code, regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 and Title IV of Book II of the general regulations 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 number of shares held by the Company may be adjusted as necessary to take into account transactions that affect the share capital occurring after this annual general meeting. The authorization is given under the following conditions:

(i) the maximum purchase price is €100 per share.

However, the Board of Directors may adjust the purchase price to take into account the impact on the share price of 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) based on the share capital at 31 December 2019, the theoretical amount that may be dedicated to this share buyback program may not exceed €766,242,200;

(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 bought back and held by the Company shall have no voting or dividend rights;

(v) such shares may be purchased or transferred at any time, except from the date of a takeover bid 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 derivative financial instruments or 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 deems 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 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 any market practice subsequently permitted by the AMF or by law;

**(ii)** purchasing shares in the Company in order to hold them and subsequently tender them in exchange or as payment for any potential external growth transactions, it being specified that the shares purchased for this purpose may not exceed 5% of the Company's share capital at the time of the acquisition;

**(iii)** 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;

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

**(v)** granting free shares in the Company to employees or executive officers 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;

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

**(vii)** cancelling all or some 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 set 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 21 May 2019 in its 11th resolution.

## RESOLUTIONS PROPOSED TO THE **EXTRAORDINARY** GENERAL MEETING

## 12TH RESOLUTION | Share capital increase with preferential subscription rights

### OVERVIEW

*The purpose of the **12th resolution** is to **renew the delegation of authority** granted to the Board of Directors by the annual general meeting on 18 May 2018 **to carry out capital increases** via the issue, **with preferential subscription rights**, of shares 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 is set at **50% of the share capital** of the Company on the date of this annual general meeting and **one billion euros** in debt securities giving immediate or future access to shares in the Company that may be issued pursuant to this delegation of authority.*

*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 **26 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.*

#### TWELFTH 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 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, 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 capital increase resulting immediately or in the future from all the issues made pursuant to this delegation of authority is 50% of the Company's share capital at the date of this annual general meeting, which will be included in the overall maximum nominal amount provided for in the 18th 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 providing for other adjustments;

**(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 one (1) billion euros or the euro equivalent in a foreign currency or unit of account based on a basket of currencies at the date of the decision to carry out the issue. This amount (a) does not include any redemption premium(s) in excess of par value and (b) applies to all the debt securities that may be issued pursuant to the 12th to 17th 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 on the basis of the shares they hold 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 the possibilities provided for in article L. 225-134 of the French Commercial Code or certain of them in the order it chooses;

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

**(vii)** decides that the Board of Directors may not use this delegation of authority without prior authorization from the annual general 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 costs of issuing shares in the Company and the fees related to their admission to trading on a regulated market 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, 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 18 May 2018 in its 15th resolution.

## 13TH TO 16TH RESOLUTIONS

## Share capital increases without preferential subscription rights

OVERVIEW

*In order to be able to rapidly seize any financial opportunity offered by the diversity of the financial markets in France and any other country and to carry out issues that may be placed with investors interested in certain types of financial products, the Board of Directors proposes to grant it delegations of authority to carry out issues without preferential subscription rights.*

*Therefore, the Board of Directors proposes to renew:*

- *with the **13th resolution, the delegation of authority** granted by the annual general meeting on 18 May 2018 t**o carry out capital increases by means of a public offering other than those referred to in article L. 411-2 1° of the French Monetary and Financial Code** via the issue, **without preferential subscription rights,** of shares or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company. Shareholders will benefit **from a priority period of at least three days.***

  ***The maximum nominal** amount of the capital increases that may be carried out pursuant to this delegation of authority is **10% of the Company's share capital** on the date of this annual general meeting and **one billion euros** in debt securities giving immediate or future access to shares in the Company that may be issued pursuant to this delegation of authority.*

  *The issue price of shares shall be at least equal to the weighted average of the Arkema share price for the three trading days prior to the opening date of the public offering within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, less **a potential discount of up to 10%;***

- *with the **14th resolution, the delegation of authority granted** by the annual general meeting on 18 May 2018 **to carry out capital increases by means of an offering referred to in Article L. 411-2 II of the French Monetary and Financial Code via the issue, without preferential subscription rights,** of shares 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 in order **to directly or indirectly finance an external growth transaction, issue convertible bonds, or repay an external financing arrangement** put in place by the Company.*

  ***The maximum nominal** amount of the capital increases that may be carried out pursuant to this delegation of authority is **10% of the Company's share capital** on the date of this annual general meeting, such amount being included in the nominal maximum amount of issues without preferential subscription rights provided for in the 18th resolution, and **one billion euros** in debt securities giving immediate or future access to shares in the Company that may be issued pursuant to this delegation of authority.*

  *The issue price of shares shall be at least equal to the weighted average of the Arkema share price for the three trading days prior to the opening date of the public offering within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, less **a potential discount of up to 10%;***

- *with the **15th resolution**, the **delegation of authority** granted by the annual general meeting on 18 May 2018 **to set the issue price** for the shares issued under the aforementioned 13th and 14th resolutions based on terms which differ from the ones provided for in these resolutions. The issue price will be set based on 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 on the volume weighted average price on the Euronext Paris regulated market determined during the trading session when the issue price is set, less, in either case, a maximum discount of 10%.*

  ***The maximum nominal** amount of the capital increases that may be carried out pursuant to this delegation of authority is **10% of the Company's share capital** on the date of this annual general meeting **over a 12-month period,** and would be included in the limit provided for in the 12th or 13th resolutions; and*

- *with the **16th resolution**, **the delegation of authority** granted by the annual general meeting on 18 May 2018 **to carry out capital** increases via the issue, **without preferential subscription rights,** 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 shares or securities carrying rights to shares in another company.*

  ***The maximum nominal** amount of the capital increases that may be carried out pursuant to this delegation of authority is **10% of the Company's share capital** on the date of this annual general meeting, which would be included in the limit provided for in the 14th resolution.*

*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.***

*These delegations of authority would be granted for a period of **26 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.*

### THIRTEENTH 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 other than those referred to in article L. 411-2 1° of the French Monetary and Financial Code, without preferential subscription rights but with a minimum three-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, 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 a public offering (other than those referred to in article L. 411-2 1° of the French Monetary and Financial Code), which may be subscribed either in cash or by offsetting due and payable receivables;

**(ii)** decides to cancel the shareholders' preferential subscription rights to the 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 at least three (3) stock market trading days for subscriptions 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 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 maximum nominal amount provided for in the 18th 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;

**(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 one (1) billion euros or the euro equivalent in a foreign currency or unit of account based on a basket of currencies at the date of the decision to carry out the issue. This amount (a) does not include any redemption premium(s) in excess of par value and (b) applies to all the debt securities that may be issued pursuant to the 12th to 17th 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;

**(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 in article L. 225-134 of the French Commercial Code;

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

**(viii)** decides that the issue price of shares issued or resulting from securities issued pursuant to this delegation of authority 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 opening date of the public offering within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, less a potential discount of up to 10%) 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 use this delegation of authority, in whole or in part, for the purpose of paying for securities tendered to a public exchange offering initiated by the Company, within the limits and on the conditions provided for in article L. 225-148 of the French Commercial Code;

**(x)** decides that the Board of Directors may not use this delegation of authority without prior authorization from the annual general 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;

**(xi)** 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 costs of issuing shares in the Company and the fees related to their admission to trading on a regulated market 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, 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 18 May 2018 in its 16th resolution.

### FOURTEENTH RESOLUTION

*(Delegation of authority granted to the Board of Directors for a period of 26 months, to increase the share capital via the issue of shares in the Company and/or securities giving immediate or future access to shares in the Company, without preferential subscription rights, in the context of a public offering referred to in article L. 411-2 1° 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, in the context of a public offering referred to in article L. 411-2 1° of the French Monetary and Financial Code, which may be subscribed either in cash or by offsetting receivables;

(ii) decides that these issues may only be made in order to (a) directly or indirectly finance an external growth transaction, (b) issue convertible bonds, or (c) repay a financing arrangement put in place by the Company;

(iii) decides to cancel the shareholders' preferential subscription right to the shares and 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 for issues without preferential subscription rights provided for in the 18th resolution below 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;

(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 one (1) billion euros or the euro equivalent in a foreign currency or unit of account based on a basket of currencies at the date of the issue. This amount (a) does not include any redemption premium(s) in excess of par value and (b) applies to all the debt securities that may be issued pursuant to the 12th to 17th 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;

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

(vii) decides that the issue price of shares issued or resulting from securities issued pursuant to this delegation of authority 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 opening date of the public offering within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, less a potential discount of up to 10%) after correction, if any, of this amount to take into account the difference in the dividend entitlement date;

(viii) decides that the Board of Directors may not use this delegation of authority without prior authorization from the annual general 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;

(ix) 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 costs of issuing shares in the Company and the fees related to their admission to trading on a regulated market 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, 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 18 May 2018 in its 17th resolution.

### FIFTEENTH RESOLUTION

*(Authorization granted to the Board of Directors for a period of 26 months, in the event of the issue of shares in the Company 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 13th and 14th 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 to be issued or resulting from securities 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, where appropriate, in either case a maximum discount of 10%,
- the issue price of securities giving immediate or future access to shares in the Company 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 will be included in the limit provided for in the 13th or 14th resolutions as applicable and in the overall limits provided for in the 18th resolution below; and

**(ii)** decides that the Board of Directors may not use this delegation of authority without prior authorization from the annual general 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. 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 18 May 2018 in its 18th resolution.

### SIXTEENTH RESOLUTION

*(Delegation of authority granted to the Board of Directors to issue shares in the Company, within the limit of 10% of the 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 shares or securities carrying rights to shares in another company, 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 14th resolution of this annual general meeting;

**(iii)** duly notes that this delegation of authority automatically entails a waiver by the shareholders of their preferential right to subscribe for the Company shares that result from the 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 annual general 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. 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 18 May 2018 in its 19th resolution.

## 17TH RESOLUTION | Greenshoe

OVERVIEW

*The purpose of the **17th resolution** is to allow the Board of Directors **to increase the number of shares** to be issued, for the issues carried out pursuant to the 12th to 16th resolutions, within **thirty days of the close of the subscription** period for the initial issue, at **the same price** and **within the limit of 15%** of the initial issue subject to compliance with the limit provided for in the resolution authorizing the issue.*

### SEVENTEENTH 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, in the event of the use of the delegations of authority granted by the 12th to 16th 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 up to 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 annual general 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 18 May 2018 in its 20th resolution.

## 18TH RESOLUTION | Overall limit of share capital increases

OVERVIEW

*The purpose of the **18th resolution** is **to set an overall limit on the nominal amount of the capital** increases to be carried out with or without preferential subscription rights, immediately or in the future, pursuant to 12th to 17th resolutions, **to 50% of the Company's share capital** at the date of this annual general meeting.*

*The maximum nominal amount of capital increases without preferential subscription rights mentioned in 14th and 16th resolutions would be **10% of the Company's share capital** at the date of this annual general meeting.*

### EIGHTEENTH RESOLUTION

*(Overall limit on authorizations to issue shares in the Company immediately and/or in the future)*

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, decides to set:

- the maximum overall 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 12th to 17th resolutions at 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 14th and 16th 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 giving access to shares in the Company shall be added to these nominal amounts.

## 19TH RESOLUTION | Share capital increases reserved for employees

OVERVIEW

*Since its 2006 stock market listing, Arkema has conducted a dynamic employee share ownership policy, with plans offered every two years to employees in the main countries in which the Group operates, to enable them to subscribe to shares in the Company on preferential terms. As a result, 6.3% of outstanding shares were owned by employees at 31 December 2019. The Group intends to pursue this dynamic employee share ownership policy.*

*The purpose of the* **19th resolution** *is to renew the delegation of authority granted to the Board of Directors by the annual general meeting on 18 May 2018 to carry out capital increases, without preferential subscription rights, reserved for employees and former employees who are 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 is **€13.5 million,** i.e., **less than 2% of the Company's share capital** at the date of this annual general meeting.*

*The issue price would be equal to the average of the Arkema share's Euronext Paris 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 (i.e. 30% at the date of the general meeting). The Board of Directors may however, if it considers it appropriate, reduce or eliminate the abovementioned discount.*

*This delegation of authority would be granted **for a period of 26 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.*

### NINETEENTH RESOLUTION

*(Delegation of authority granted to the Board of Directors to carry out capital increases 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 one or more capital increases via the issue, in the proportions and at the times that 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 and securities giving access to shares to be issued pursuant to this delegation of authority and, where applicable, to the shares and other securities granted free of consideration pursuant to this delegation of authority;

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

(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 of authority is thirteen million five hundred thousand (13,500,000) euros. This limit does not include the nominal amount of any shares issued pursuant to the adjustments made 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;

(v) decides that the subscription price of the shares to be issued will be equal to the average of the Arkema share's Euronext Paris trading prices for the twenty (20) 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, the 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;

(vi) decides that the Board of Directors may grant free shares or securities giving access to shares in the Company to replace all or part of the abovementioned discount and/or the employer's top-up contribution. The total benefit resulting from this grant may not exceed the limits provided for by the laws or regulations pursuant to articles L. 3332-21 and L. 3332-11 of the French Labor Code, and the maximum nominal amount of the capital increases that may be carried out, immediately or in the future pursuant to the grant of free shares or securities giving access to shares of the Company shall be included in the limits referred to in paragraph (iv) above.

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:

- 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 that are members of one or more company savings plans will be able to subscribe to the shares or securities issued and, where applicable, receive the shares or securities granted free of consideration;
- set the subscription price of the shares and the opening and closing dates of the subscription period;
- set the amount of the issues that may be made pursuant to this authorization and, in particular, set the issue price, dates, periods, terms and conditions of subscription, payment, delivery and dividend entitlement (which may be retroactive) and all other terms and conditions of the issues, within the applicable legal and regulatory limits;
- in the event of a grant of free shares or securities giving access to shares of the Company, set the number of shares or securities giving access to shares of the Company to be issued and the number of shares or securities to be awarded to each Beneficiary, and set the dates, periods, terms and conditions of the grant within the applicable legal and regulatory limits, and in particular, elect either to substitute in whole or in part the grant of said shares or securities giving access to shares of the Company for the discounts provided for above or deduct the equivalent value of the shares or securities granted from the total amount of the employer's top-up contribution, or a combination of both;
- record the completion of the capital increase for the amount of the shares that will actually be subscribed, after any reduction in the event of oversubscription;
- 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 18 May 2018 in its 22nd resolution.

## 20TH RESOLUTION | Amendment of the Company's Articles of Association

OVERVIEW

*The **20th resolution** involves various amendments to the Articles of Association arising from the enactment of French Law no. 2019-486 of 22 May 2019 on the action plan for business growth and transformation (*Loi "Pacte"*) and French Law no. 2019-744 of 19 July 2019 relating to the "simplification, clarification and modernization of company law":*

- ***elimination of article 8.1 of the Articles of Association** relating **to the identification of holders of shares in bearer form**, following the introduction of a new legal framework by the* Loi "Pacte" *set out in the new article L. 228-2 of the French Commercial Code. Consequently, article 8 of the Company's Articles of Association is amended as follows: "Article 8. Threshold disclosures" and article 8.2 is deleted;*
- ***amendment of article 10.1.4 of the Articles of Association** to comply with article L. 225-45 of the French Commercial Code, as amended by the* Loi "Pacte"*, which replaces the concept of "directors' fees" with that of "compensation" and article L. 225-37-2 of the French Commercial Code, as amended by Order no. 2019-1234 of 27 November 2019, subjecting the compensation policy for directors to the approval of the shareholders' meeting;*
- ***amendment of article 10.2 of the Company's Articles of Association** to comply with the provisions of the* Loi "Pacte" *that abolished the dispensation from appointing shareholder employee representatives when the Board of Directors already has one or more directors appointed from among the members of the Supervisory Board of the Company mutual funds (FCPE) representing employees or one or more directors freely elected by the employees.*
  *This amendment will not have any impact on Arkema, which already appoints a director representing shareholder employees in compliance with the law and the Articles of Association;*
- ***amendment of article 10.3 of the Articles of Association** to set out the method of appointing the directors representing employees, after a favorable opinion from the Group's Works Council (French delegation of the European Group Works Council) and in accordance with the provisions of article L. 225-27-1 of the French Commercial Code, as amended by the* Loi "Pacte"*, which reduced the number of directors beyond which a second director representing employees must be appointed from twelve to eight;*
- ***amendment of article 12 of the Company's Articles of Association** to allow for a limited number of decisions set out in the regulations to be taken by written consultation among the directors, namely appointments of directors in case of vacancy due to death or resignation, authorizations to grant guarantees and other collateral, amendments to the Articles of Association to comply with legislative and regulatory provisions, and calling general meetings.*

### TWENTIETH RESOLUTION

*(Amendment of articles 8, 10.1.4, 10.2, 10.3 and 12 of the Company's Articles of Association)*

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, decides:

- to delete article 8.1 of the Articles of Association and, accordingly, to amend the title of article 8 as follows: *"Article 8. Threshold disclosures"* and delete the title of article 8.2, pursuant to the provisions of article 198 of French Law no. 2019-486 of 22 May 2019 on the action plan for business growth and transformation, which introduces a legal framework for identifying holders of bearer shares in the Company.

  The remainder of article 8 remains unchanged.

- to amend article 10.1.4 as follows, in accordance with the provisions of article 185 of French Law no. 2019-486 of 22 May 2019 on the action plan for business growth and transformation, which has eliminated the concept of "directors' fees" and the new article L. 225-37-2 of the French Commercial Code as amended by Order n°. 2019-1234 of 27 November 2019:

  *"**10.1.4 Compensation***

  *In accordance with the compensation policy for directors approved each year by the shareholders' meeting under the conditions provided for in article L. 225-98 of the French Commercial Code, the Board grants the directors compensation according to the practical methods set out in the policy and subject to the maximum aggregate amount set by the shareholders' meeting.*

  *The compensation policy for directors proposed by the Board to the shareholders' meeting must respect the Company's interests and contribute to its sustainability and commercial strategy.*

  *Expenses incurred by the directors in the course of their directorship will be reimbursed by the Company upon presentation of supporting documents."*

- in accordance with the provisions of article L. 225-23 of the French Commercial Code, as amended by French Law no. 2019-486 of 22 May 2019,

  - to amend article 10.2 of the Company's Articles of Association as follows:

  1. to replace the first paragraph with the following provisions:

  *"If the report presented by the Board of Directors to the annual general meeting pursuant to article L. 225-102 of the French Commercial Code shows that the number of shares held by employees of the Company and companies related to it within the meaning of article L. 225-180 of said Code represent more than 3% of the share capital, a director representing shareholder employees shall be appointed by the ordinary general meeting in accordance with the provisions of the applicable laws and regulations and with the provisions of these Articles of Association."*

  2. to replace the final paragraph with the following provisions:

  *"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 shareholder employees. However, the director representing shareholder employees, must hold, individually or through a company mutual fund (Fonds Commun de Placement d'Entreprise – FCPE) governed by article L. 214-164 of the French Monetary and Financial Code, at least one share in the Company, or a number of units of the said fund equivalent to at least one share in the Company."*

  The remainder of article 10.2 remains unchanged;

- to amend article 10.3 of the Articles of Association as follows to establish the terms and conditions for appointing a second director representing employees, having considered the favorable opinion of the Group's Works Council and in accordance with the provisions of article L. 225-27-1 of the French Commercial Code, as amended by French Law no. 2019-486 of 22 May 2019:

  *"**10.3 Director representing employees***

  *In accordance with the provisions of article L. 225-27-1 of the French Commercial Code, the number of directors representing employees on the Board of Directors is determined by the number of directors appointed by the ordinary general meeting.*

  *The director or directors representing employees are appointed as follows:*

  - *the Group Works Council provided for in article L. 2331-1 of the French Labor Code (whose functions are assured by the French delegation of the European Group Works Council in compliance with the agreement establishing Arkema's European Group Works Council on 21 March 2007) appoints the director representing employees;*
  - *if the number of directors appointed by the ordinary general meeting is more than eight, a second director representing employees is appointed by the European Works Council in compliance with article L. 2343-1 of the French Labor Code (whose functions are assured by all of the members of the European Group Works Council in compliance with the agreement establishing Arkema's European Group Works Council on 21 March 2007).*

  *Candidates for the position of director representing employees are put forward by the trade unions represented in the French delegation of the European Group Works Council (or the European Group Works Council if a second director representing employees is appointed). All candidates must meet the legal and regulatory requirements for appointment.*

  *Having been informed of the proposed appointment of the director or directors representing employees, the trade unions referred to above must provide the Chairman of the European Group Works Council with a list of candidates no later than fifteen days prior to drafting the agenda for the European Group Works Council meeting scheduled to appoint said director or directors along with a document outlining the career history of each candidate.*

  *The director representing employees is appointed by simple majority vote, held by secret ballot, of the members of the French delegation of the European Group Works Council and, for a second director, all of the members of the European Group Works Council. In the event of 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 a 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. However, a 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 registered office established on French soil.*

*If, for whatever reason, the position of director representing employees falls vacant, his or her 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(s) representing employees is/are 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 relating 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 term of office of the director or directors representing employees expires at the end of the Board of Directors' meeting acknowledging that this is the case.";*

- to add the following paragraph after paragraph 6 of article 12, in accordance with the provisions of article L. 225-37, 3 of the French Commercial Code, as amended by French Law no. 2019-486 of 22 May 2019:

  *"**Article 12. Meetings of the Board of Directors***

  *(…)*

  *The Board of Directors may also take decisions that come under its authority, as defined in the third paragraph of article L. 225-37 of the French Commercial Code, by written consultation."*

## 21ST RESOLUTION | Powers for formalities

**TWENTY-FIRST 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.

# OPTION FOR
# THE E-NOTICE

**FOR REGISTERED SHAREHOLDERS ONLY**

**The e-notice is a simple, fast and secure way of being invited to the general meeting that will enable you to receive by email a notice of meeting along with a voting form.**

As part of our gradual digitalization process, **since the general meeting of 21 May 2019** you may now opt for the e-notice. By choosing this option, you will be able to receive all the relevant documentation as soon as it is available and 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 email address, and send it back to us at the following address**: Arkema – Investor Relations department – 420, rue d'Estienne d'Orves – 92705 Colombes Cedex – France

or by e-mail to the following address: actionnaires-individuels@arkema.com

You can also **log into the Planetshares website** using your usual ID and password, select "My personal information"/"My e-services" and fill in the section "Convocation by email to general shareholders' meetings".

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

ARKEMA
INNOVATIVE CHEMISTRY

## REPLY FORM TO OPT FOR THE E-NOTICE

**Please return the form to Arkema:**
**by e-mail:**
actionnaires-individuels@arkema.com
**by post:**
ARKEMA
Investor Relations department
420 rue d'Estienne d'Orves
92705 Colombes Cedex – France

I wish to receive my notice of meeting and the documents relating to Arkema's shareholders' general meetings from the shareholders' general meetings to be held following that of 19 May 2020.

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

I, undersigned,

Mrs ☐ 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: ...............................................

Signature

ARKEMA INNOVATIVE CHEMISTRY

# REQUEST FORM FOR ADDITIONAL DOCUMENTS

# COMBINED ANNUAL GENERAL MEETING 2020

**Please return the form to Arkema:**

**by e-mail:**
actionnaires-individuels@arkema.com

**by post:**
ARKEMA
Investor Relations department
420 rue d'Estienne d'Orves
92705 Colombes Cedex – France

## TUESDAY 19 MAY 2020

Documents and information referred to in article R. 225-83 of the French Commercial Code, included in the 2019 Universal Registration Document, are available and/or can be ordered on the website **www.finance.arkema.com**

I, undersigned,

Mrs ☐ 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 19 May 2020 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 that 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 2019 Universal Registration Document.

Within the current context and in accordance with the article 3 of the Order no. 2020-321 dated 25 March 2020 relating, to the adaptation of rules for holding and participating in shareholers meetings and meetings of management bodies of legal entities and unincorporated entities governed by private law due to the Covid-19 epidemic, any shareholder who has provided an e-mail address will receive an electronic version of these documents. Otherwise, a hard copy of these documents will be sent as soon as possible.

Signed at: ...................................... on: ..........................2020

Signature

## INVESTOR RELATIONS


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

**actionnaires-individuels@arkema.com**

**www.finance.arkema.com**


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