



20  
18

NOTICE OF MEETING  
COMBINED ANNUAL GENERAL MEETING



**FRIDAY 18 MAY 2018** AT 10 A.M.

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

**ARKEMA**  
INNOVATIVE CHEMISTRY

# COMBINED ANNUAL GENERAL MEETING

# 20 18

## Friday 18 May 2018

at 10 a.m.

Palais Brongniart

Place de la Bourse

75002 Paris – France

The registration desk will open at 9 a.m.

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](http://www.finance.arkema.com).

FOR FURTHER INFORMATION, PLEASE CONTACT:



ARKEMA'S INVESTOR RELATIONS  
DEPARTMENT AT:  
+33 (0)1 49 00 74 63

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

# MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Ladies and Gentlemen, dear Shareholders,

**I am pleased to invite you to attend Arkema's annual general meeting which will be held this year on Friday 18 May 2018 at 10 a.m. at Palais Brongniart in Paris, France.**

Each year, the annual general meeting is a valuable opportunity to learn more about your Company and dialogue. By exercising your right to vote, you take part in important decisions regarding your Group's future.

This annual general meeting will be the opportunity to come back on the very good performance the Group achieved in 2017. Financially, the Group largely exceeded the medium-term targets it set in 2014 with an EBITDA close to €1.4 billion, up 17% on last year, excellent cash generation and a low debt level. This achievement marks a very important milestone for the Group and resulted in a strong increase in Arkema share price. It reflects the balance of our portfolio of businesses, the relevance of our underlying strategy, the strength of our growth projects and the strong commitment of our teams.

Over the past three years, we reaped in particular the benefits of our successful innovation in advanced materials which enabled us to meet our customers' high demand for lighter materials, new energies, 3D printing and consumer goods, which represent many underlying sustainability trends. We also benefited from the step-up in the development of our adhesives

since Bostik acquisition three years ago. Lastly, our intermediate chemical businesses achieved a first-class performance. We will come back on the Group's strategic priorities during the general meeting.

Taking into accounts these results and Arkema's development prospects, the Board of Directors reaffirmed the importance of dividend as a key component of shareholder return and proposes the distribution of a €2.30 dividend per share, 12% up compared with previous year.

Several re-election and appointments of Board members that will broaden its competencies and experience are also submitted to the approval of this general meeting.

The agenda of this general meeting, the proposed resolutions that will be submitted to your approval and practical information on how to take part in the meeting, and in particular from this year the possibility to vote online, are detailed in this notice of meeting together with a summary of the 2017 results and information on the composition of our Board of Directors.

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

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

# HOW TO TAKE PART IN THE GENERAL MEETING?



The combined annual general meeting will take place **at 10:00 a.m. (Paris time) on Friday 18 May 2018** at Palais Brongniart, Grand Auditorium, Place de la Bourse, 75002 Paris – France <sup>(1)</sup>. The registration desk will open at 9:00 a.m.

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

To take part in the general meeting, you are therefore required to provide evidence of your status as a shareholder of Arkema **two business days before the date of the meeting, i.e., by 0:00 a.m. (Paris time) on 16 May 2018**.

## 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 16 May 2018. You do not need to do anything further.

### 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 the certificate of shareholding along with your request for an admission card or your voting form to the following registrar appointed by Arkema:

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

## HOW TO VOTE ?

To vote, you may:

1. **attend** the general meeting **in person**,
2. **vote by post** or **give proxy to the Chairman** or **be represented** by any person you chose,
3. **vote online**.

In all cases, you must either:

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

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

### 1. IF YOU WISH TO ATTEND THE GENERAL MEETING

You must request an **admission card**.

**By post**, simply fill in box **A** on the form, fill in your name, first name and address, or make sure they are correct if already mentioned, **date** and **sign** the form before send it back to **BNP Paribas Securities Services** using the reply pre-paid envelope provided **if your shares are registered** or to **your financial intermediary if you hold bearer shares**.

**Online:**

- **if your shares are registered** (directly or administered), simply log into the secure 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 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 encounter any problem, you can call the toll-free number 0 800 115 153 (from France) or +33 (0)1 55 77 41 17 (outside France); and

- **if you hold bearer shares**, you need to contact the bank or broker holding your account in order to confirm whether they are connected to the VOTACCESS platform and if so, whether such access is subject to any specific terms of use.

Please, note that only the holders of bearer shares whose bank or broker is a member of VOTACCESS may access the website and request their admission card online.

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.

(1) As required by article R. 225-67 of the French Commercial Code, the convening notice is published in the Bulletin des Annonces Légales Obligatoires on 25 April 2018.

## 2. IF YOU DO NOT ATTEND THE GENERAL MEETING AND WISH TO VOTE BY POST OR BE REPRESENTED

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";
- **give your proxy to the Chairman of the general meeting:** fill in box **2** "I give my proxy to the Chairman of the general meeting". In this case, the Chairman will vote in favour of the proposed resolutions agreed by the Board of Directors;

- **appoint another shareholder of Arkema, your spouse, a partner with whom you have entered into a civil partnership or any other person of your choice as your proxy:** fill in box **3** "I appoint as my proxy" and fill in the name, first name and address of the person who will attend the meeting on your behalf.

To be duly taken into account, appointments or dismissals of proxy by mail must be received at the latest 3 calendar days before the date of the general meeting.

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

## 3. IF YOU DO NOT ATTEND THE GENERAL MEETING AND WISH TO VOTE ONLINE

Arkema now 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.

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 encounter any problem, you can call the toll-free number 0 800 115 153 (from France) or +33 (0)1 55 77 41 17 (outside France).

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](mailto: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 – CTS Assemblées Générales – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

To be duly taken into account, appointments or dismissals of a proxy sent electronically must be received at the latest by 3:00 p.m. (Paris time) the day before the general meeting.

Shareholders may **access the VOTACCESS platform from 25 April 2018 at 10:00 (Paris time) until 17 May 2018 at 3:00 p.m. (Paris time)**. Shareholders are advised not to wait until the last few days to vote, in order to avoid any difficulties to access the platform.

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.*, **16 May 2018 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 or proxies granted by the seller will be taken into account.

# HOW TO FILL OUT THE FORM?

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

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

**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

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

**ARKEMA**  
Société Anonyme au capital de 758 705 060 €  
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 vendredi 18 mai 2018 à 10h00 (heure de Paris),  
au Palais Brongniart, Place de la Bourse, 75002 Paris / France

**COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING**  
to be held on Friday, May 18<sup>th</sup>, 2018 at 10:00 am (Paris time),  
at Palais Brongniart, Place de la Bourse, 75002 Paris / France

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account

Nombre d'actions / Number of shares

Nombre de voix - Number of voting rights

Nominatif / Registered

Porteur / Bearer

Vote simple / Single vote

Vote double / Double vote

**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 notifiant comme ceci  la case correspondante et pour lesquels je vote NON ou je m'abstiens.

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

1	2	3	4	5	6	7	8	10
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	12	13	14	15	16	17	18	19
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	21	22	23	24	25	26	27	28
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29	30	31	32	33	34	35	36	37
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38	39	40	41	42	43	44	45	46
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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)

**ATTENTION :** s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.  
**CAUTION :** if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (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)

**3**

**JE DONNE POUVOIR A :** Cf. au verso (4)

**I HEREBY APPOINT :** See reverse (4)

M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

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

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

Date / Signature

**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 who will be attending the meeting:**  
fill in box **3** and fill in the name and address of this person.



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

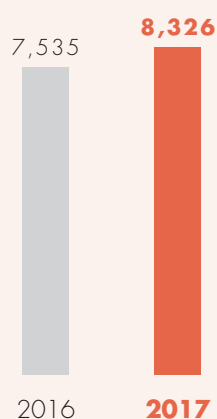
# ARKEMA IN 2017

## 2017 KEY FIGURES

All figures contained in this section are provided on a consolidated basis and in accordance with the Group's organization into three business divisions. 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 2017 in section 4.3.3 of the 2017 Reference Document

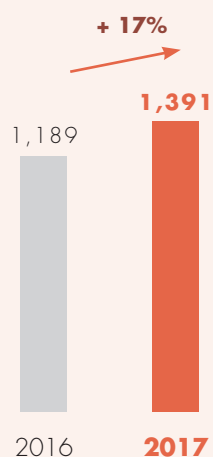
### SALES

(in millions of euros)



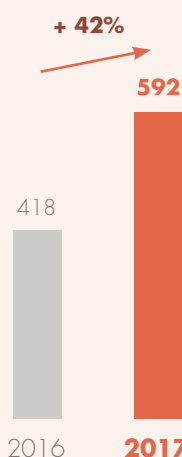
### EBITDA

(in millions of euros)



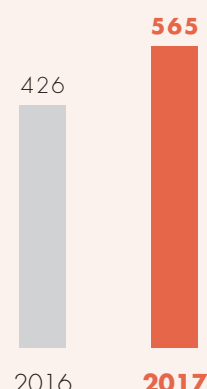
### ADJUSTED NET INCOME

(in millions of euros)



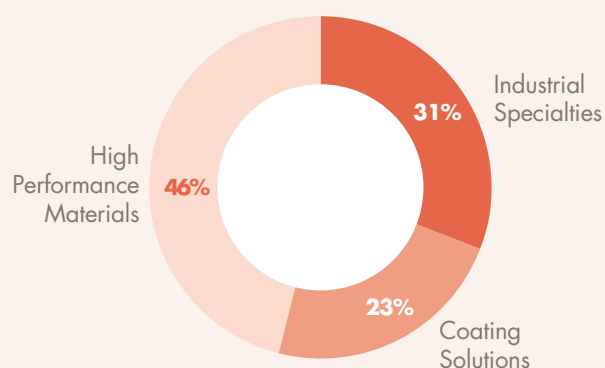
### FREE CASH FLOW\*

(in millions of euros)

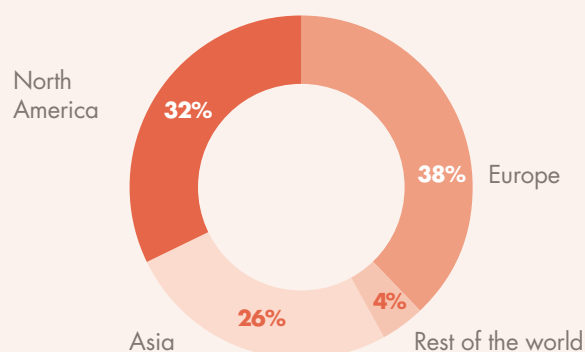


\* Cash flow from operating and investing activities excluding the impact of portfolio management.

### SALES BY DIVISION



### SALES BY REGION



**19,779**  
employees



**136**  
production sites



Presence in  
**55 countries**



**3**  
regional research  
and innovation  
hubs

**INCOME STATEMENT KEY FIGURES**

<i>(In millions of euros unless otherwise mentioned)</i>	2017	2016	Year-on-year change
Sales	8,326	7,535	+10.5%
EBITDA	1,391	1,189	+17.0%
EBITDA margin <i>(EBITDA as % of sales)</i>	16.7%	15.8%	-
Recurring operating income (REBIT)	942	734	+28.3%
REBIT margin <i>(REBIT as % of sales)</i>	11.3%	9.7%	-
Operating income	845	717	+17.9%
Net income – Group share	576	427	+34.9%
Adjusted net income	592	418	+41.6%
Earnings per share <i>(in euros)</i> *	7.17	5.24	+36.8%
Adjusted net income per share <i>(in euros)</i>	7.82	5.56	+40.6%
Dividend per share <i>(in euros)</i>	2.30 **	2.05	+12.2%

\* In accordance with IAS 33, the earnings per share computation includes the coupon paid on hybrid bond (see note C.8 to the consolidated financial statements at 31 December 2017 in section 4.3.3 of the 2017 Reference Document).

\*\* Dividend proposed to this annual general meeting.

**BALANCE SHEET KEY FIGURES**

<i>(In millions of euros unless otherwise mentioned)</i>	2017	2016
Shareholders' equity	4,474	4,249
Net debt	1,056	1,482
Gearing <i>(in %)</i>	24%	35%
Capital employed	6,554	6,829
Working capital on sales <i>(in %)</i> *	13.1%	14.5%
Net provisions **	797	863

\* Working capital on sales as defined in section 4.1.9 of the 2017 Reference Document. Excluding in 2016 Den Braven acquired end 2016.

\*\* Provisions net of non-current assets as defined in section 4.1.9 of the 2017 Reference Document.

**CASH FLOW STATEMENT KEY FIGURES**

<i>(In millions of euros unless otherwise mentioned)</i>	2017	2016
Cash flow from operating activities	1,008	821
Free cash flow *	565	426
Recurring capital expenditure **	431	423

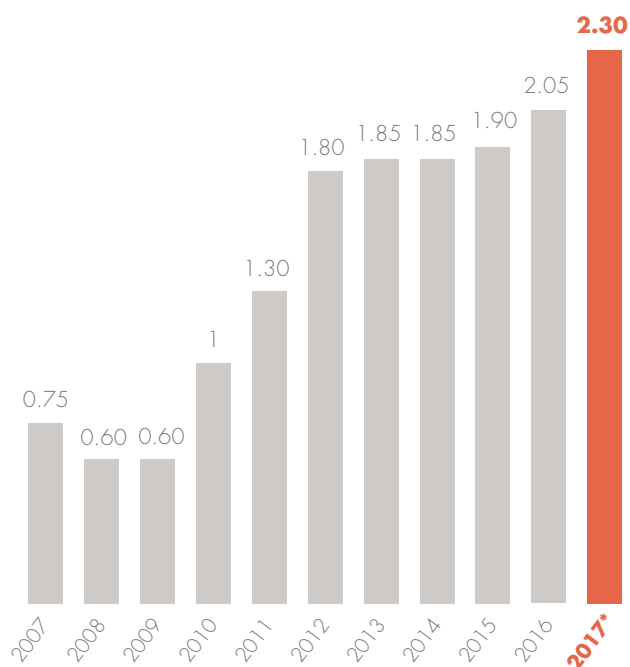
\* Cash flow from operations and investments excluding the impact of portfolio management.

\*\* As defined in note C.1 to the consolidated financial statements at 31 December 2017 in section 4.3.3 of the 2017 Reference Document.



**SHAREHOLDER RETURN**

**DIVIDEND** (in euros /share)



**SHARE PRICE PERFORMANCE BETWEEN 2015 AND 2017**



\* Dividend proposed to this annual general meeting.

**SAFETY AND ENVIRONMENTAL KEY FIGURES**

In 2016, figures do not include data for Den Braven sites acquired end 2016.

	2017	2016
<b>Safety</b>		
Total recordable injury rate (TRIR) *	1.6	1.5
Percentage of sites having implemented peer observation over the last three years	59%	56%
Percentage of AIMS-audited sites **	69%	63%
<b>Environment</b> (in EFPI terms with index base of 1 in 2012)		
Direct greenhouse gas emissions	0.52	0.60
Volatile organic compound emissions	0.66	0.80
Chemical oxygen demand ***	0.70	0.78
Net energy purchases	0.89	0.92

\* Number of injuries per million hours worked (including injuries not resulting in time off work).

\*\* AIMS (Arkema Integrated Management System) audit which combines ISO 9001, ISO 14001 and OHSAS 18001 requirements.

\*\*\* Chemical oxygen demand is a parameter for measuring water pollution by organic compounds, whose decomposition consumes oxygen.

# GROUP'S FINANCIAL PERFORMANCE IN 2017

In 2017, Arkema exceeded its medium-term financial targets set in 2014 and reported its best financial performance since its stock market listing in 2006. This confirms the quality of the Group's portfolio of businesses and strategy, the strength of its growth projects in its specialty businesses, the strong positioning in its intermediate chemical businesses and a balanced geographic presence.

## Sales

Sales totaled **€8,326 million** in 2017, up 10.5% on 2016. At constant exchange rates and business scope, the increase was 8.9%. Volumes, which were 2.4% higher year on year, significantly increased in High Performance Materials (+4.4%) driven by Asia, the Group's innovation drive and the start-up of new units. The price effect was positive for all three divisions with a positive 6.5% price effect overall. This reflects the actions taken by the Group to raise selling prices in specialty businesses (which accounted for 71%

of Group sales for the year) and positive market conditions in intermediate chemical businesses (which contributed 29% to the Group's sales figure <sup>(1)</sup>). The scope effect added 3.3% to sales and included the contribution of Den Braven as well as the impact of the divestment of the activated carbon and filter aid business and the oxo alcohols business. The currency effect was a negative 1.7%, primarily due to the appreciation of the euro against the US dollar.

## EBITDA and recurring operating income

At **€1,391 million**, EBITDA reached an all-time high, up 17% year on year, and materially exceeded the €1.3 billion target that the Group set itself in 2014 for 2017. All three divisions reported EBITDA rises despite higher raw materials costs than in 2016. This performance was led by Bostik's growth, with in particular the contribution of Den Braven, the benefits of sustainability innovations and new manufacturing units for advanced materials, excellent results from the Industrial Specialties division, improvements in the acrylic cycle and operational excellence initiatives.

EBITDA margin increased to **16.7%** from 15.8% in 2016, in line with the Group's medium- and long-term targets.

Recurring operating income amounted to **€942 million**, compared to €734 million in 2016, in line with the increase in EBITDA. It included €449 million in recurring depreciation and amortization expense, which was stable overall compared to 2016 (€455 million). Recurring operating income represented 11.3% of Group sales in 2017 (9.7% in 2016).

## Net income Group share

Net income – Group share rose to **€576 million** from €427 million in 2016. Excluding the post-tax impact of non-recurring items, **adjusted net income** amounted to **€592 million** versus €418 million in 2016, representing **€7.82 per share** (€5.56 per share in 2016).

Net income – Group share included €52 million in net other expenses, roughly half of which stemmed from the consequences of hurricane Harvey in the United States and the remaining half

from restructuring and acquisition costs. It also included €45 million in depreciation and amortization related to the revaluation of assets carried out as part of the Bostik and Den Braven purchase price allocation processes.

It also included €103 million net financial expense, unchanged from 2016.

(1) Acrylics, Fluorogases and PMMA.

Finally, it included a €162 million net income tax expense. Excluding exceptional items, the tax rate corresponded to 26% of recurring operating income, down significantly on the 29% rate for 2016 due to the more balanced geographic split of the Group's results in 2017. The income tax expense figure comprises various exceptional items, including a one-time €36 million gain with no cash impact arising from the adjustment of deferred taxes following the decrease in corporate tax rate announced in the United States.

In view of the Group's strong position that it has built up in the United States and based on its 2017 results, Arkema will benefit with the US tax reform from an estimated tax saving representing around 6% of its adjusted net income, which will reduce its tax rate to around 23% of recurring operating income. This tax saving comes at a time when the Group is substantially increasing its capital expenditure in the United States.

## Dividend

In line with the Group's dividend policy, the Board of Directors decided to recommend to the annual general meeting of 18 May 2018 to increase the dividend to be paid entirely in cash from

€2.05 per share to €2.30, representing a payout rate of almost 30% of the Group's adjusted net income.

# PERFORMANCE BY DIVISION IN 2017

## High Performance Materials

The High Performance Materials division brings together two major drivers of Arkema's future growth: adhesives and advanced materials (which comprise the Technical Polymers and Performance Additives Business Lines). The businesses in this division share the same objective of serving their various niche markets with innovative, high value-added technical solutions that meet their customers' needs, especially in major sustainability areas such as lighter materials, new energies and access to water. The Group holds leadership positions in most of the product lines of this division.

<i>(In millions of euros)</i>	2017	2016
Sales	3,830	3,422
EBITDA	632	570
EBITDA margin (% of sales)	16.5%	16.7%
Recurring operating income (REBIT)	474	416

Sales generated by the High Performance Materials division totaled **€3,830 million**, up 11.9% on 2016. The scope effect was a positive 8.0%, reflecting the integration of Den Braven and the CMP business within Bostik as well as the divestment of the activated carbon and filter aid business. At constant exchange rates and business scope, year-on-year sales growth was 5.9%, led by a 4.4% increase in volumes. Volumes rose for all the division's businesses, driven in particular by very high demand in Asia for lighter materials, new energies (batteries and photovoltaics) and consumer goods (sports and consumer electronics) as well as by the contribution of the new specialty molecular sieves unit in Honfleur (France). The price effect was a positive 1.5%, reflecting the actions undertaken by the Group to raise its selling prices. The currency effect was a negative 2.1%.

At **€632 million**, EBITDA increased 10.9% year on year, supported by strong volume momentum for advanced materials as well as by Bostik's growth fueled by the integration of Den Braven and the benefits of first synergies. This strong rise was achieved despite the significant impact of higher costs for certain raw materials and the stronger euro versus the US dollar. At **16.5%**, EBITDA margin held firm compared with the 16.7% margin for 2016.

## Industrial Specialties

The Industrial Specialties division comprises integrated industrial niches with high profitability in which the Group holds leadership positions. These businesses that require complex manufacturing processes, are positioned in global markets that offer strong growth prospects, particularly in Asia.

<i>(In millions of euros)</i>	2017	2016
Sales	2,545	2,316
EBITDA	585	473
EBITDA margin (% of sales)	23.0%	20.4%
Recurring operating income (REBIT)	411	300

**Industrial Specialties sales** were up 9.9% year on year to **€2,545 million**. At constant exchange rates and business scope, sales growth was 11.3%, driven by a 9.6% positive price effect reflecting higher prices for certain fluorogases, particularly in Europe and Asia, and positive market conditions in the MMA/PMMA chain. Volumes were 1.7% higher than in 2016, driven mainly by good demand in Thiochemicals. The currency effect was a negative 1.4%.

At **€585 million**, **EBITDA** increased 23.7% year on year and **EBITDA margin** reached **23%** in a market boosted by robust global growth and a more intense environmental policy in China. Against this backdrop, the division's results reflect the return of Fluorogases to a very good level of results, a tight supply/demand balance in the MMA/PMMA business, and a solid performance by Thiochemicals and Hydrogen Peroxide.

## Coating Solutions

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

<i>(In millions of euros)</i>	2017	2016
Sales	1,924	1,771
EBITDA	244	208
EBITDA margin (% of sales)	12.7%	11.7%
Recurring operating income (REBIT)	135	83

At **€1,924 million**, sales for the **Coating Solutions** division rose 8.6% on 2016, led by a 12.1% positive price effect thanks to a better acrylic cycle as well as measures taken to raise selling prices across the entire chain. Volumes were generally stable year on year (edging down just 0.4%), as higher volumes in the division's downstream businesses offset the impact in the Acrylics business of maintenance turnarounds. The divestment of the oxo alcohol business resulted in a 1.5% negative scope effect and the currency effect was a negative 1.5%.

The division's **EBITDA** amounted to **€244 million**, up 17.3% year on year, and **EBITDA margin** rose to **12.7%**. As the Group expected, unit margins for acrylic monomers gradually improved from the low points seen in 2016, and were positioned in 2017 between the low- and mid-point of the cycle. This more than offset the impact of higher input costs on downstream businesses.

## CASH FLOW AND NET DEBT AT 31 DECEMBER 2017

In 2017, Arkema generated a high level of **free cash flow** (which corresponds to net cash flow excluding the impact of portfolio management), with a year-on-year increase of €139 million to **€565 million** (€426 million in 2016). This increase reflects the significant rise in EBITDA and tight control of working capital despite a context of rising raw materials costs. At 31 December 2017, the ratio of working capital to annual sales reached a record low at 13.1% compared with 14.5% at 31 December 2016 (excluding the impact of Den Braven which was acquired in late 2016). This ratio, which was positively impacted by the appreciation of the euro, mainly reflects the continuing implementation of a strict operational discipline and the optimization drive conducted in several businesses.

The free cash flow also includes €431 million in recurring capital expenditure <sup>(1)</sup> (representing 5.2% of Group sales) as well as €10 million in exceptional investments for the initial work undertaken as part of the project to double thiochemical production capacity in Malaysia. In 2018, Arkema expects capital expenditure to amount to around €550 million corresponding to recurring capital expenditure representing around 5.5% of sales and to exceptional investments for the specialty polyamides project in Asia and the thiochemicals project in Malaysia presented at Arkema's Capital Markets Day in July 2017.

Finally, free cash flow also included €54 million in non-recurring expenses, primarily relating to the consequences of hurricane Harvey in the United States and restructuring costs.

Free cash flow excluding exceptional investments represented 41% of EBITDA for 2017, thus exceeding the Group's target of a 35% EBITDA conversion rate into cash. This performance is in the top range for the industry as a whole.

Portfolio management operations represented a net cash outflow of just €5 million in 2017, with the impact of the purchase of the assets of CMP Specialty Products in the adhesives business almost entirely offsetting the effect of the divestment of the oxo alcohols business.

**Cash flow from financing activities** totaled **€192 million** and included a bond issue for a total net amount of €891 million, the repayment of a bond that had reached maturity for a net amount of €494 million, the payment of a €2.05 per-share dividend totalling €155 million and a €33 million coupon paid on a hybrid bond.

Consequently, **net debt** stood at **€1,056 million**, down significantly on the €1,482 million net debt figure at 31 December 2016. The Group's gearing decreased to 24% from 35% at end-December 2016 and net debt represented 0.8 times EBITDA for the year. In accordance with IFRS standards, these figures exclude the hybrid bond.

## 2018 OUTLOOK

In 2018, demand in the three main geographic regions should remain well oriented and the environment characterized by a marked strengthening of the euro versus the US dollar <sup>(2)</sup> and higher and volatile raw materials costs.

Against this backdrop, the Group will benefit from its strong innovation drive in advanced materials, from Bostik's growth with the integration of XL Brands and from a market environment expected to remain globally robust for its intermediate chemical businesses. It will continue to implement its major manufacturing projects, as presented during its Capital Markets Day, for thiochemicals, specialty polyamides, fluoropolymers and Sartomer.

Lastly, the Group will continue its actions to pass on in its selling prices the continuous rises in raw materials costs as well as the rollout of its operational excellence initiatives to partly offset inflation on its fixed costs.

Supported by a good start of the year and this strong internal momentum and despite the euro's current strength, Arkema is confident in its ability to increase its EBITDA in 2018 compared to the excellent performance achieved in 2017.

(1) Excluding exceptional capex and capex relating to portfolio management.

(2) A 10% increase in euro/US dollar exchange rate has a €(50) m EBITDA impact (translation).

## RESULTS OF THE COMPANY IN THE LAST FIVE YEARS

Type of disclosures <i>(In millions of euros unless otherwise indicated)</i>	2013	2014	2015	2016	2017
<b>I – Financial position at year end</b>					
a) Share capital	630	728	745	757	759
b) Number of shares issued	63,029,692	72,822,695	74,472,101	75,717,947	75,870,506
<b>II – Operations and results</b>					
a) Sales (excluding VAT)	13	15	18	19	66
b) Income before tax, depreciation, impairment and provisions	206	70	703	528	60
c) Income taxes	26	28	52	89	(51)
d) Employee profit sharing	-	-	-	-	-
e) Income after tax, depreciation, impairment and provisions	212	189	754	767	485
f) Amount of dividends distributed	117	135	143	155	NC
<b>III – Earnings per share <i>(in euros)</i></b>					
a) Income after tax but before depreciation, impairment and provisions	3.69	1.34	10.14	8.15	0.12
b) Income after tax, depreciation, impairment and provisions	3.37	2.59	10.12	10.13	6.39
c) Net dividend per share	1.85	1.85	1.90	2.05	NC
<b>IV – Employee data</b>					
a) Number of employees	7	7	7	9	9
b) Total payroll	4	5	7	8	7
c) Amounts paid to employee benefit bodies in the year	3	3	4	5	4

# CORPORATE GOVERNANCE

## COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors comprises twelve members including eight independent directors, six women, one member representing shareholder employees and one member representing employees.

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 2017, including one meeting dedicated to strategy, with an average global attendance rate of 90.5%.

### 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
<b>Thierry Le Hénaff</b> Chairman and Chief Executive Officer	French	54		2006	2020	None			Chairman and Chief Executive Officer
<b>Yannick Assouad</b>	French	59	◆	2017	2021	2			Executive management, industry and international
<b>Patrice Bréant</b> Director representing shareholder employees	French	64		2010	2018	None			Research and Development, knowledge of the Group as an employee
<b>Marie-José Donsion</b>	French and Spanish	46	◆	2016	2018	None	Chairman		Accounting, finance and industry
<b>François Enaud</b> Senior independent director	French	58	◆	2006	2019	None		●	Executive management, digital and international
<b>Victoire de Margerie</b>	French	55	◆	2012	2019	2		●	Chemistry, industry and significant experience outside France
<b>Laurent Mignon</b>	French	54	◆	2006	2019	2			Executive management, banking and international
<b>Hélène Moreau-Leroy</b>	French	53	◆	2015	2019	None	●		Industry, finance and significant experience outside France
<b>Thierry Morin</b>	French	66	◆	2006	2021	1		Chairman	Executive management, industry and significant international experience
<b>Nathalie Muracciole</b> Director representing employees	French	53		2016	2020	None			Human resources, knowledge of the Group as an employee
<b>Marc Pandraud</b>	French	59	◆	2009	2021	None			Finance and international
<b>Fonds Stratégique de Participations</b> represented by <b>Isabelle Boccon-Gibod</b>	French	50		2014	2018	3		●	Industry and finance

◆ 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.

# DIRECTOR PROPOSED FOR RE-ELECTION

## Fonds Stratégique de Participations

DIRECTOR

**Date of first appointment:** 15 May 2014

**Number of shares held at 31 December 2017:**  
4,759,008

### OTHER OFFICES CURRENTLY HELD OUTSIDE OF THE ARKEMA GROUP

#### France

- ▶ Director, SEB S.A.\*
- ▶ Director, Zodiac Aerospace\*
- ▶ Director, Eutelsat Communications\*

#### International

- ▶ None

### PRESENTATION OF FONDS STRATÉGIQUE DE PARTICIPATIONS

Fonds Stratégique de Participations (FSP) is a SICAV, or open-ended investment company, which is registered with the French financial markets authority (AMF) and which seeks to promote long-term equity investments by acquiring strategic stakes in French companies. FSP's Board comprises eight members, including the seven insurance companies shareholders and the Edmond de Rothschild group.

FSP is divided into five sub-funds, each of which holds an interest in the capital of one company.

FSP is an independent investment body with its own governance structure. Its portfolio is managed by a dedicated team within Edmond de Rothschild Asset Management, part of the Edmond de Rothschild group, which is responsible for the financial monitoring of the companies in which FSP has invested and relations with the FSP's permanent representatives on those companies' Boards of Directors. FSP does not act in concert with other shareholders and votes independently at annual general meetings. FSP appointed Isabelle Boccon-Gibod as its permanent representative on the Company's Board of Directors.

Subject to the approval by the annual general meeting of its re-election, FSP will continue to be represented at the Board of Directors by Isabelle Boccon-Gibod.

## Isabelle Boccon-Gibod

PERMANENT REPRESENTATIVE OF FSP

MEMBER OF THE AUDIT AND ACCOUNTS COMMITTEE

**Date of first appointment:** 15 May 2014

**Nationality:** French

**Attendance rate in 2017:** 100% of Board of Directors and Audit and Accounts Committee meetings

### OTHER OFFICES CURRENTLY HELD OUTSIDE OF THE ARKEMA GROUP

#### France

- ▶ Director, Sequana \*
- ▶ Director, Legrand \*
- ▶ Permanent representative of Fonds Stratégique de Participations, a director of Zodiac Aerospace \*
- ▶ Member of the national investment strategy Board (*Conseil national d'orientation*), BPI France
- ▶ Vice-President of the Economic Commission, MEDEF
- ▶ Director, Paprec
- ▶ Director, *Centre Technique du Papier*

#### International

- ▶ None

### PROFESSIONAL EXPERIENCE

Born in 1968, Isabelle Boccon-Gibod is a graduate of the École Centrale de Paris in France and the University of Columbia in the United States. She is a member of the national investment strategy Board (*Conseil national d'orientation*) of BPI France, Vice-President of the MEDEF Economic Commission, director of the Paprec group, director of Sequana, director of Legrand and permanent representative of Fonds Stratégique de Participations, a director of Zodiac Aerospace.

She was Executive Vice-President of Arjowiggins and an Executive Director of Sequana and also chaired Copacel, the French Association of Paper Industries, until the end of 2013. Isabelle Boccon-Gibod is also a photographer and author.

\* Listed company.



# DIRECTORS PROPOSED FOR APPOINTMENT

## Marie-Ange Debon

**Current position:** Group Senior Executive VP of the Suez Group \* in charge of France, Italy and Central Europe

**Nationality:** French

### OTHER OFFICES CURRENTLY HELD OUTSIDE OF THE ARKEMA GROUP

#### France

- ▶ Director and Chairman of the Audit Committee, Technip-FMC \*

#### International

- ▶ None

### PROFESSIONAL EXPERIENCE

Born in 1965, Marie-Ange Debon is a graduate of France's *École des hautes études commerciales* (HEC) and *École nationale de l'administration* (ENA), and holds a master's degree in law. She is Group Senior Executive VP of the Suez Group in charge of France, Italy and Central Europe since March 2018 and a member of the Management Committee since 2008.

Before joining Suez Environnement in 2008, Marie-Ange Debon held several positions in both the public and private sector as auditor and then as magistrate at the Court of Auditors from 1990 to 1994. She served as Deputy Chief Executive Officer at France 3 from 1994 to 1998. In 1998, she began working with Thomson group as Deputy Chief Financial Officer, and in July 2003 became General Secretary and member of the Executive Committee. In 2008, she joined Suez Environnement as General Secretary in charge of Legal and Audit. Since 2009, she has also been responsible for water and waste projects, information systems, risks, investments, insurance and purchasing. She was a member of the decision-making body of the French financial markets authority (*Collège de l'Autorité des marchés financiers*) from 2008 to 2014 and Chairman of the MEDEF Corporate Law Committee from 2009 to 2013. In April 2013, she is appointed Group Deputy CEO in charge of International segment (Water and Waste, except Europe).

## Alexandre de Juniac

**Current position:** CEO of the International Air Transport Association (IATA)

**Nationality:** French

### OTHER OFFICES CURRENTLY HELD OUTSIDE OF THE ARKEMA GROUP

#### France

- ▶ None

#### International

- ▶ None

### PROFESSIONAL EXPERIENCE

Born in 1962, Alexandre de Juniac holds degrees from France's *École polytechnique de Paris* and *École nationale de l'administration* (ENA). He is CEO of the International Air Transport Association (IATA) since 1 September 2016.

Alexandre de Juniac began his career with the French Council of State (*Conseil d'État*) from 1988 to 1993, where he served as auditor, counsel and then deputy general secretary. From 1993 to 1995, he served as technical advisor and then Chief of Staff to Nicolas Sarkozy, then France's Budget Minister. In 1995, he joined Thomson SA (now Thalès) as director of the development plan. He was appointed head of sales of Thalès Avionics in 1997, then Secretary and General Counsel of Thalès (1999-2004), Chief Operating Officer of Thalès Air Systems (2004-2008) and Chief Executive for Asia, Africa, Middle East and Latin America in May 2008. From June 2009 to September 2011, he served as Chief of Staff under Christine Lagarde, France's Minister for the Economy, Finance and Employment. He was Chairman and Chief Executive Officer of Air France from 2011 to 2013, then in July 2016 became Chairman and Chief Executive Officer of Air France-KLM. Alexandre de Juniac was also a member of Vivendi's Supervisory Board from 2013 to 2017.

\* Listed company

In addition, as proposed by the Supervisory Boards of the Arkema Actionnariat France company mutual fund and the Arkema Actionnariat International company mutual fund, the candidates for the term of office as director representing shareholder employees are respectively Jean-Marc Bertrand and Uwe Michael Jakobs. As there is only one position of director representing shareholder employees to be filled, only the candidate having obtained the greatest number and at least the majority of votes shall be appointed.

Arkema's Board of Directors supports the appointment of Jean-Marc Bertrand taking account of the number of Arkema shares held by the Arkema Actionnariat France company mutual fund.

## Jean-Marc Bertrand

**Current position:** Project manager within Arkema's IT Department

**Nationality:** French

### OTHER OFFICES CURRENTLY HELD

#### France

*Within the Arkema Group*

- ▶ Member of the Supervisory Board of the Arkema Actionnariat France company mutual fund (*Fonds Commun de Placement d'Entreprise*)

#### International

- ▶ None

### PROFESSIONAL EXPERIENCE

Born in 1958, Jean-Marc Bertrand holds a CESI (*Centre des études supérieures industrielles*) engineer diploma. He is currently project manager within the IT infrastructure team of Arkema's IT department.

He joined the Group in 1989 in the Pennwalt France company where he held several positions in the computer science field and joined Arkema in 2006 as chief of FO department in charge of users tools architecture such as work station and smartphones.

He has since held several positions in the IT department. He has also served in several roles on employee representative bodies, namely as representative of the CFE-CGC labor union and secretary of the Arkema France Central Works Council.

## Uwe Michael Jakobs

**Current position:** Business development manager of the Technical Polymers Business Line in Germany

**Nationality:** German

### OTHER OFFICES CURRENTLY HELD

#### France

*Within the Arkema Group*

- ▶ Member of the Supervisory Board of the Arkema Actionnariat International company mutual fund (*Fonds Commun de Placement d'Entreprise*)

#### International

- ▶ None

### PROFESSIONAL EXPERIENCE

Born in 1965, Uwe Michael Jakobs is a business development manager of the Technical Polymers Business Line in Germany since 2015.

He has held various management positions in charge of key accounts for the Technical Polymers Business Line and previously for the PMMA Business Line in Germany. He is also member of the Works Council of Arkema GmbH.

# COMPENSATION OF EXECUTIVE OFFICERS

## Compensation policy for executive officers

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

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 and for the duration of his term of office, on the recommendation by the Nominating, Compensation and Corporate Governance Committee which mostly comprises independent directors, in accordance with the AFEP-MEDEF Code recommendations. 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 is linked both to the Group's financial performance and to the Chairman and Chief Executive Officer's individual performance and responsibilities.

In accordance with the decision of the Board of Directors of 2 March 2016, the structure of the Chairman and Chief Executive Officer's compensation, for the duration of his term of office as renewed on 7 June 2016, comprises (i) annual fixed compensation, (ii) annual variable compensation linked to the achievement of

specific objectives reflecting the Group's performance for the year, and (iii) long-term compensation in the form of an annual award of performance shares. A component enabling the Chairman and Chief Executive Officer to build up his retirement completes this package since the termination of the supplementary defined benefit pension scheme from which he benefited up until 7 June 2016. These components are divided in a balanced manner between short-term and long-term components, in line with the compensation of the Group's other executives and employees. They are mostly linked to the achievement of specific, quantified targets that reflect the Group's performance and are supporting the Company's development and the value creation over the long term, thus ensuring that the interests of the executive officer are aligned with those of the shareholders and all stakeholders. In addition, the Chairman and Chief Executive Officer benefits from a termination indemnity in the event of forced departure, approved by the annual general meeting of 7 June 2016.

The full report set out in compliance with article L. 225-37-2 paragraph 2 of the French Commercial Code, which includes the components submitted to this annual general meeting in the 11<sup>th</sup> resolution, is available in the 2017 Reference Document on pages 171 to 174.

## Components of compensation due or awarded to the Company's executive officers for 2017

In accordance with the provisions of Article L. 225-100 of the French Commercial Code as amended by the Sapin II Law and by Order no. 2017-1162 of 12 July 2017, components of compensation due or awarded to Thierry Le Hénaff, Chairman and Chief Executive Officer of the Company, and sole executive officer of the Company, for the year ended 31 December 2017, are submitted to the shareholders' vote at this annual general meeting in the 12<sup>th</sup> resolution as follows:

Components of compensation due or awarded for 2017	Amounts or accounting valuation submitted to vote	Presentation
Fixed compensation	€900,000	In accordance with the renewal of the term of office as a director of Thierry Le Hénaff, 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.

Components of compensation due or awarded for 2017	Amounts or accounting valuation submitted to vote	Presentation
Annual variable compensation	€1,350,000	<p>The amount of the variable part due for 2017, which could represent up to 150% of the annual fixed compensation, was set by the Board of Directors on 21 February 2018, on the basis of the quantifiable and qualitative criteria set by the Board of Directors in 2017 and the fulfillment of these criteria noted on 31 December 2017, as follows:</p> <ul style="list-style-type: none"> <li>• <b>concerning the three quantifiable criteria</b> linked to the Group's financial performance, the achievement rates by criterion were as follows: <ul style="list-style-type: none"> <li>• 100% for EBITDA, whose weighting represents 55%, taking into account the excellent performance of the Group, with EBITDA up 17% in 2017 at €1,391 million in an economic environment characterized by higher raw material prices and the strengthening of the euro, in particular against the US dollar. Arkema has therefore largely exceeded the target announced in 2014 to increase EBITDA to €1.3 billion in 2017 compared to €784 million in 2014;</li> <li>• 100% for recurring cash flow, whose weighting represents 27.5%. Recurring cash flow reached an excellent level again in 2017, totaling €629 million versus €477 million in 2016. This cash generation enabled the Group to significantly reduce its net debt to €1,056 million (versus €1,482 million at 31 December 2016). This performance reflects the further strict management of capital expenditure and working capital in a significantly less favorable raw material context; and</li> <li>• 100% for the contribution of new developments, whose weighting represents 27.5%. The Board of Directors took into account the commercial successes of the main innovation platforms such as 3D printing, materials for rechargeable batteries and photovoltaic cells, innovative solutions in consumer electronics and sport, lighter materials for the automotive industry, several products that enhance home efficiency and insulation including large-format tile adhesives and high-thickness leveling screeds, adhesives for thinner diapers and encapsulation hot-melts for the automotive industry, as well as the diversification of the Group's downstream acrylics into higher value-added products and the Group's strengthened presence at key strategic customers with high development potential.</li> </ul> </li> </ul> <p>As a result, the variable compensation due in respect of quantifiable criteria amounted to 110% of annual fixed compensation; and</p> <ul style="list-style-type: none"> <li>• <b>concerning the qualitative criteria</b> relating for the most part to the implementation of the Group's strategy and operating priorities, the performance was once again deemed excellent at the end of a year 2017 marked by the successful integration of Den Braven and the implementation of initial synergies, as well as the acquisition of XL Brands. The Board of Directors also acknowledged the completion or progress of several industrial projects that are complex, significant and key for the Group's long-term positioning, such as the doubling of specialty molecular sieve production capacity at the Honfleur site in France, the ramp-up of PEKK in the United States and the development of thiochemicals in Malaysia. In addition, the Board of Directors noted the persistently strict management of fixed costs, working capital (with the ratio of working capital to sales historically low at 13.1% versus 14.5% in 2016, excluding Den Braven, acquired at end-2016) and capital intensity (in 2017, recurring capital expenditure represented 5.2% of sales versus 5.6% in 2016). Lastly, the Group's safety record was maintained at a very good level (TRIR of 1.6 accidents per million hours worked). In light of all the Group's achievements, and in particular those presented above, the achievement rate of these qualitative criteria was set at 100%.</li> </ul> <p>Consequently, the variable compensation due in respect of qualitative criteria was set at 40% of the annual fixed compensation.</p> <p>In total, the variable compensation for 2017 amounts to €1,350,000. It reflects the very strong performance for the year and the continued transformation of the Group's profile. It represents 150% of the 2017 annual fixed compensation and an overall achievement rate of 100%.</p> <p>The payment of the annual variable compensation is subject to the shareholders' approval of the 12<sup>th</sup> resolution.</p>

Components of compensation due or awarded for 2017	Amounts or accounting valuation submitted to vote	Presentation
Deferred variable compensation	N/A	Thierry Le Hénaff receives no deferred variable compensation.
Exceptional compensation	N/A	Thierry Le Hénaff receives no exceptional compensation.
Attendance fees	N/A	Thierry Le Hénaff receives no attendance fees from Arkema.
Stock options	N/A	Thierry Le Hénaff does not receive any stock options.
Performance shares	€1,907,700	<p>Making use of the authorization granted by the annual general meeting of 7 June 2016 (17<sup>th</sup> resolution), at its meeting of 8 November 2017, the Board of Directors awarded 30,000 performance shares (representing 0.04% of share capital) to Thierry Le Hénaff (out of a total of 360,100 shares granted to around 1,400 grantees, representing 8.3% out of a maximum of 10%).</p> <p>The shares will vest at the end of a three-year period subject to a presence condition and if four performance targets are met: REBIT margin, EBITDA to cash conversion rate, comparative Total Shareholder Return and return on capital employed. Each criterion applies for 25% of the awarded rights. The vesting period is followed by a two-year mandatory holding period.</p> <p>Further details on the criteria may be found in section 3.5.1 of the 2017 Reference Document.</p>
Pension	€450,000	<p>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 benefited 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.</p> <p>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.</p>
Benefits in kind	€6,720	Thierry Le Hénaff has the use of a company car.

**COMPONENTS OF COMPENSATION PAID OR AWARDED FOR 2017 ALREADY APPROVED BY THE ANNUAL GENERAL MEETING**

Termination indemnity	No payment	<p>Thierry Le Hénaff benefits, as part of his term of office, from a termination indemnity 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 shareholders' general meeting (total recordable injury rate (TRIR), annual variable compensation, comparative EBITDA margin, working capital and return on capital employed).</p> <p>The amount of this indemnity will be calculated on the basis of the fulfillment of the following five demanding performance conditions:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• return on capital employed: the average of net operating income over capital employed ((recurring operating income - actual income tax)<sup>(1)</sup>/(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 re-election, 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;</li> <li>• 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</li> <li>• comparative EBITDA margin: this financial performance indicator will continue to be measured against that of competitors in the chemicals industry comparable to the 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.</li> </ul> <p>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.</p> <p>The termination indemnity allocation scale is determined as follows:</p> <ul style="list-style-type: none"> <li>• if 5 conditions were met, Thierry Le Hénaff would receive 100% of the maximum of the termination indemnity;</li> <li>• if 4 out of 5 conditions were met, Thierry Le Hénaff would receive 90% of the maximum of the termination indemnity;</li> <li>• if 3 out of 5 conditions were met, Thierry Le Hénaff would receive 70% of the maximum of the termination indemnity;</li> <li>• if 2 out of 5 conditions were met, Thierry Le Hénaff would receive 40% of the maximum of the termination indemnity;</li> <li>• if fewer than two conditions were met, no termination indemnity would be paid.</li> </ul> <p>In addition, the Board of Directors has decided to gradually reduce the maximum termination indemnity that would be payable to 18 months of total annual gross compensation (fixed and variable) beyond 60 years old, and 12 months of total annual gross compensation (fixed and variable) beyond 62-and-a-half years old. No compensation would be paid in the event of departure beyond the age of 65.</p> <p>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 (5<sup>th</sup> resolution).</p>
Non-compete compensation	N/A	Thierry Le Hénaff is not entitled to any non-compete compensation.

(1) On recurring income (in particular excluding impact of M&A and restructuring operations).

# 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 2017.
- Approval of the consolidated financial statements for the year ended 31 December 2017.
- Allocation of profit for the year ended 31 December 2017 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*).
- Re-election of Fonds Stratégique de Participations as a member of the Board of Directors.
- Appointment of Marie-Ange Debon as a member of the Board of Directors.
- Appointment of Alexandre de Juniac as a member of the Board of Directors.
- Appointment of Jean-Marc Bertrand as director representing shareholder employees <sup>(1)</sup>.
- Appointment of Uwe Michael Jakobs as director representing shareholder employees <sup>(1)</sup>.
- Re-election of Ernst & Young Audit as statutory auditor.
- Approval of the principles and criteria for setting, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded to the Chairman and Chief Executive Officer.
- Approval of the components of compensation due or awarded to the Chairman and Chief Executive Officer for the year ended 31 December 2017.
- Determination of the total amount of attendance fees.
- Authorization granted to the Board of Directors to carry out a share buyback program.

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

- Delegation of authority granted to the Board of Directors to issue shares in the Company and/or securities giving access to shares in the Company, with preferential subscription rights.
- Delegation of authority granted to the Board of Directors to issue shares in the Company and/or securities giving access to shares in the Company, by means of a public offering, without preferential subscription rights but with a 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 an offering referred to in Article L. 411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*).
- Authorization granted to the Board of Directors, in the event of the issue of shares 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.
- Powers to carry out formalities.

(1) As there is only one position of director representing shareholder employees to be filled, only the candidate having obtained the greatest number and at least the majority of votes shall be appointed.

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

## RESOLUTIONS PROPOSED TO THE ORDINARY GENERAL MEETING

### 1<sup>ST</sup> AND 2<sup>ND</sup> RESOLUTIONS APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR

#### OVERVIEW

The purpose of the **1<sup>st</sup> and 2<sup>nd</sup> resolutions** is to approve respectively the Company's financial statements and the consolidated financial statements for the year ended 31 December 2017.

#### FIRST RESOLUTION

*(Approval of the Company's financial statements for the year ended 31 December 2017)*

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 2017, 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 2017)*

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 2017, 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.

### 3<sup>RD</sup> RESOLUTION ALLOCATION OF PROFIT AND DISTRIBUTION OF DIVIDENDS

#### OVERVIEW

The purpose of the **3<sup>rd</sup> resolution** is to approve the distribution of a **dividend of €2.30 per share, 12% up** compared to 2016. The payout ratio amounts to 29% of the Group adjusted net income.

This proposal confirms the importance of dividend as a key component of the Group's shareholder return policy. It takes into account the Company's performance in 2017 and reflects the Board of Directors' confidence in the Group's growth prospects and solid cash flow generation and balance sheet.

The shares will trade ex-dividend as of **25 May 2018**. The dividend will be payable as of **29 May 2018**.

#### THIRD RESOLUTION

*(Allocation of profit for the year ended 31 December 2017 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 2017 show a profit of €484,996,465.43 decides, as recommended by the Board of Directors, to allocate the profit for the financial year as follows:

Profit for the period	€484,996,465.43
Prior retained earnings	€1,263,790,178.57
Allocation to legal reserve	€24,249,823.27
Distributable profit	€1,724,536,820.73
Dividend distribution <sup>(1)</sup>	€174,502,163.80

*(1) The total dividend distribution is calculated on the basis of the number of shares carrying dividend rights at 1 January 2017 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 and the capital increase reserved for employees decided by the Board of Directors on 8 November 2017 within the limit of 1,200,000 shares.*



Accordingly, the annual general meeting decides to pay a dividend of €174,502,163.80 with regard to the 75,870,506 shares carrying dividend rights on 1 January 2017 and existing on the date of the Board of Directors' meeting adopting the proposed resolutions, corresponding to a distribution of two euros and thirty cents (€2.30) 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 be traded ex-dividend as of 25 May 2018 and the dividend for the 2017 financial year will be paid as of 29 May 2018.

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	2017	2016	2015
Net dividend per share (in euros)	2.30 <sup>(1)</sup>	2.05 <sup>(1)</sup>	1.90 <sup>(1)</sup>

(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.

## 4<sup>TH</sup> RESOLUTION APPROVAL OF RELATED-PARTY AGREEMENTS

### OVERVIEW

In accordance with 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 2017. It noted that the only commitment in force in 2017 and already approved by the annual general meeting is the commitment related to the early termination of the Chairman and Chief Executive Officer's term of office.

In addition no new agreement nor commitment not already approved by the annual general meeting was entered into during the 2017 financial year.

Consequently, the purpose of the **4<sup>th</sup> 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 6.1 of the 2017 Reference 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.

## 5<sup>TH</sup> TO 9<sup>TH</sup> RESOLUTIONS COMPOSITION OF THE BOARD OF DIRECTORS

### OVERVIEW

The terms of office of Marie-José Donsion, Fonds Stratégique de Participations and Patrice Bréant are due to expire at the close of this annual general meeting.

On the recommendation of the Nominating, Compensation and Corporate Governance Committee, the Board of Directors proposes to this annual general meeting:

- in the **5<sup>th</sup> resolution**, to **re-elect Fonds Stratégique de Participations**, whose permanent representative will continue to be Isabelle Boccon-Gibod, as director for a **four-year term**. This re-election would allow the Board of Directors to further benefit from having a reference shareholder that fully supports the strategy implemented by Arkema and from Isabelle Boccon-Gibod's experience as a high level executive in industry and her knowledge of Arkema and its major priorities developed over the past years;
- in the **6<sup>th</sup> resolution**, to **appoint Marie-Ange Debon** as director for a **four-year term**. Her appointment would allow the Board of Directors to benefit from her experience as a high level executive in the public and private sectors and her large accounting and finance experience gained throughout her career. Her responsibilities outside France and in the water sector will be genuine assets for her contribution to the work of the Board of Directors; and
- in the **7<sup>th</sup> resolution**, to **appoint Alexandre de Juniac** as director for a **four-year term**. His appointment would allow the Board of Directors to benefit from his experience as a high level executive in various industry sectors, as Chairman and Chief Executive Officer of a large, publicly traded group and CEO of a global organization involved in a wide range of high-stakes issues.

Marie-Ange Debon and Alexandre de Juniac will qualify as independent directors. Subject to their appointment as directors by the annual general meeting, the Board of Directors also decided to appoint Marie-Ange Debon as member and Chairman of the Audit and Accounts Committee to replace Marie-José Donsion and Alexandre de Juniac as member of the Nominating, Compensation and Corporate Governance Committee.

In addition, two candidates are proposed to this annual general meeting for the position as director representing shareholder employees: **Jean-Marc Bertrand** in the **8<sup>th</sup> resolution** and **Uwe Michael Jakobs** in the **9<sup>th</sup> resolution**. The Board of Directors decided to support the appointment of Jean-Marc Bertrand, member of the Supervisory Board of the Arkema Actionnariat France company mutual fund (FCPE) and candidate designated by this latter, taking into account the number of Arkema shares held by the Arkema Actionnariat France company mutual fund.

Consequently, at the close of the annual general meeting, and subject to approval of the proposed resolutions, the Board of Directors will comprise **thirteen members** including **six women**, i.e., 42% of its members (excluding the director representing employees).

Education, professional experience and other information are set out in pages 16 to 18 of this notice.

### FIFTH RESOLUTION

*(Re-election of Fonds Stratégique de Participations 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, having considered the Board of Directors' report and noting that the term of office as director of Fonds Stratégique de Participations expires on the date of this meeting, decides to re-elect it for a term of four (4) years expiring at the close of the annual general meeting to be held in 2022 to approve the financial statements for the year ending 31 December 2021.

### SIXTH RESOLUTION

*(Appointment of Marie-Ange Debon 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, decides to appoint Marie-Ange Debon as director for a term of four (4) years expiring at the close of the annual general meeting to be held in 2022 to approve the financial statements for the year ending 31 December 2021.

### SEVENTH RESOLUTION

*(Appointment of Alexandre de Juniac 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, decides to appoint Alexandre de Juniac as director for a term of four (4)

years expiring at the close of the annual general meeting to be held in 2022 to approve the financial statements for the year ending 31 December 2021.

### EIGHTH RESOLUTION \*

*(Appointment of Jean-Marc Bertrand as director representing shareholder employees)*

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, decides, pursuant to article 10.2 of the Company's Articles of Association, to appoint Jean-Marc Bertrand as director representing shareholder employees for a term of four (4) years expiring at the close of the ordinary general meeting to be held in 2022 to approve the financial statements for the year ending 31 December 2021.

### NINTH RESOLUTION \*

*(Appointment of Uwe Michael Jakobs as director representing shareholder employees)*

*Resolution not approved by 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, decides, pursuant to article 10.2 of the Company's Articles of Association, to appoint Uwe Michael Jakobs as director representing shareholder employees for a term of four (4) years expiring at the close of the ordinary general meeting to be held in 2022 to approve the financial statements for the year ending 31 December 2021.

\* 8<sup>th</sup> and 9<sup>th</sup> resolutions: pursuant to article 10.2 of the Company's Articles of Association, as there is only one position of director representing shareholder employees to be filled, only the candidate having obtained the greatest number and at least the majority of votes shall be appointed.

## 10<sup>TH</sup> RESOLUTION RE-ELECTION OF A STATUTORY AUDITOR

### OVERVIEW

As the term of office of Ernst & Young Audit as co-**statutory auditor** is due to expire at the close of this annual general meeting, the purpose of the **10<sup>th</sup> resolution** is to **re-elect** it for a term of **six financial years**.

### TENTH RESOLUTION

*(Re-election of Ernst & Young 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 Ernst & Young Audit

as statutory auditor is due to expire at the close of this meeting, decides to re-elect it for a term of six (6) financial years, *i.e.*, until the ordinary general meeting to be held in 2024 to approve the financial statements for the year ending 31 December 2023.

## 11<sup>TH</sup> RESOLUTION APPROVAL OF THE COMPENSATION POLICY FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### OVERVIEW

In accordance with article L. 225-37-2 of the French Commercial Code, the purpose of the **11<sup>th</sup> resolution** is to approve the principles and criteria for setting, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded, in the exercise of his term of office, to the Chairman and Chief Executive Officer as defined by the Board of Directors on the recommendation of the Nominating, Compensation and Corporate Governance Committee. These components are listed in the corporate governance report provided for in Article L. 225-37 of said code and set out in detail in section 3.4.2.1 of the 2017 Reference Document on pages 171 to 174.

### ELEVENTH RESOLUTION

*(Approval of the principles and criteria for setting, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded to the Chairman and Chief Executive Officer)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings pursuant to Article L. 225-37-2 of the French Commercial Code, and having

considered the Board of Directors' report on corporate governance provided for in Article L. 225-37 of the French Commercial Code, approves the principles and criteria for setting, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded, in the exercise of his term of office, to the Chairman and Chief Executive Officer.

## 12<sup>TH</sup> RESOLUTION APPROVAL OF THE COMPONENTS OF COMPENSATION DUE OR AWARDED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2017

### OVERVIEW

Pursuant to Article L. 225-100 of the French Commercial Code, the purpose of the **12<sup>th</sup> resolution** is to submit to the shareholders' approval the components of compensation due or awarded to Thierry Le Hénaff, Chairman and Chief Executive Office and the Company's only executive officer, for the financial year ended 31 December 2017. Payment of the variable compensation due for the past financial year is subject to the approval of this resolution.

The components of compensation submitted to vote are set out in the table on pages 19 to 22 of this notice.

### TWELFTH RESOLUTION

*(Approval of the components of compensation due or awarded to the Chairman and Chief Executive Officer for the year ended 31 December 2017)*

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings pursuant to Article L. 225-100 of the French Commercial Code, and having

considered the Board of Directors' report on corporate governance provided for 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 due or awarded to Thierry Le Hénaff, Chairman and Chief Executive Officer, for the year ended 31 December 2017, as set out in said report.

## 13<sup>TH</sup> RESOLUTION ATTENDANCE FEES

### OVERVIEW

The purpose of the **13<sup>th</sup> resolution** is to submit to the shareholders' approval the increase of the total annual amount of attendance fees to be allocated to the Board of Directors from €550,000 to €650,000 in order to take account of the appointment of a new director and of the recent increase in the amount of the fixed part of the attendance fees, which had not been revised since 2014.

### THIRTEENTH RESOLUTION

(Setting of the total amount of attendance fees to be paid to the directors)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after

reviewing the Board of Directors' report, decides to increase the total annual amount of attendance fees from €550,000 to €650,000. This decision applies for the current financial year and for subsequent financial years until another decision is made by the general meeting in this respect.

## 14<sup>TH</sup> RESOLUTION SHARE BUYBACKS

### OVERVIEW

The purpose of the **14<sup>th</sup> resolution** is to **renew the authorization** granted to the Board of Directors by the annual general meeting on 23 May 2017 to **purchase or arrange for the purchase of shares in the Company**. The purchase of shares may be carried out at any time, **except from the date a takeover bid for the Company's shares is filed by a third party and until the end of the offer period**.

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

Maximum purchase price: €135 per share

Overall maximum aggregate amount that may be dedicated to the share buyback program: €135 million

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:**

At 31 December 2017, the Company owned 33,225 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 5.2.4 of the 2017 Reference Document.

### FOURTEENTH RESOLUTION

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

The annual general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, 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, European Commission regulation no. 2273/2003 dated 22 December 2003 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 meeting. The authorization is given under the following conditions:

- (i) the maximum purchase price is €135 per share.  
However, the Board of Directors may adjust the purchase price to account for 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) the maximum amount that may be dedicated to this share buyback program is €135 million;

- (iii) under no circumstances can the Company hold, directly or indirectly, more than 10% of its share capital as a result of the purchases made pursuant to this authorization;
  - (iv) the shares redeemed and held by the Company shall have no voting or dividend rights;
  - (v) such shares may be purchased or transferred at any time, except 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
  - (a) purchasing shares in the Company in order to hold them and subsequently tender them in exchange or as payment as part of any potential external growth transactions, it being specified that the shares acquired for this purpose may not exceed 5% of the Company's share capital at the time of the acquisition or
  - (b) purchasing or selling shares within the scope of a liquidity agreement entered into with an investment services provider and compliant with the Code of Conduct approved by the AMF, as well as
  - (c) any market practice subsequently permitted by the AMF or by law;
- (ii) putting in place and complying with obligations and in particular delivering shares upon the exercise of rights attached to securities giving immediate or future access by any means to shares in the Company, as well as carrying out any hedging transactions in respect of the Company's obligations regarding

- such securities, in accordance with the conditions provided for by the market authorities and at the times the Board of Directors or its delegated representative deems appropriate;
- (iii) covering stock option plans granted to employees or executive officers of the Company or its Group;
- (iv) 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;
- (v) 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
- (vi) canceling all or part of the purchased shares in order to reduce the Company's share capital.

The annual general meeting grants full powers to the Board of Directors, with the possibility to sub-delegate such powers under the conditions 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 23 May 2017 in its 11<sup>th</sup> resolution.

## RESOLUTIONS PROPOSED TO THE EXTRAORDINARY GENERAL MEETING

### 15<sup>TH</sup> RESOLUTION SHARE CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS

#### OVERVIEW

The purpose of the **15<sup>th</sup> resolution** is to **renew** the **delegation of authority** granted to the Board of Directors by the annual general meeting on 7 June 2016 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 **€379 million**, i.e., approximately **50% of the 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.

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.

## FIFTEENTH 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 on corporate governance and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-132, and L. 228-91 *et seq.*:

- (i) authorizes the Board of Directors to carry out one or more capital increases *via* the issue, with preferential subscription rights, in France or other countries, of shares or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company, in the proportion and at the times that it deems appropriate, including warrants, issued against payment or free of consideration, which can be subscribed either in cash or by offsetting receivables;
- (ii) decides that the maximum nominal amount of the capital increase resulting immediately or in the future from all the issues made pursuant to this delegation of authority is three hundred and seventy-nine (379) million euros, which will be included in the overall maximum nominal amount provided for in the 21<sup>st</sup> resolution and which may be increased, where applicable, by the additional nominal amount of the shares to be issued in order to preserve the rights of holders of securities and other rights granting access to shares in the Company, in accordance with the law and any applicable contractual provisions;
- (iii) decides that the maximum nominal amount of debt securities giving immediate or future access to shares in the Company that may be issued pursuant to this resolution is one (1) billion euros or the euro equivalent in a foreign currency or unit of account at the date of the decision to carry out the issue. This amount (a) does not include any redemption premium(s) in excess of any existing par value and (b) applies to all the debt securities that may be issued pursuant to the 15<sup>th</sup> to 20<sup>th</sup> 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 7 June 2016 in its 9<sup>th</sup> resolution.

## 16<sup>TH</sup> TO 19<sup>TH</sup> 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 **16<sup>th</sup> resolution**, the **delegation of authority** granted by the annual general meeting on 7 June 2016 to carry out **capital increases by means of a public offering** 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 date of setting the issue price, less **a discount of 5%**;

- with the **17<sup>th</sup> resolution**, the **delegation of authority** granted by the annual general meeting on 7 June 2016 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 maximum nominal amount of issues without preferential subscription rights provided for in the 21<sup>st</sup> 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 date of setting the issue price, less **a discount of 5%**;

- with the **18<sup>th</sup> resolution**, the **delegation of authority** granted by the annual general meeting on 7 June 2016 to **set the issue price** for the shares issued under the aforementioned 16<sup>th</sup> and 17<sup>th</sup> 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 5%.

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 16<sup>th</sup> or 17<sup>th</sup> resolutions; and

- with the **19<sup>th</sup> resolution**, the **delegation of authority** granted by the annual general meeting on 7 June 2016 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 17<sup>th</sup> 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.

## SIXTEENTH RESOLUTION

*(Delegation of authority granted to the Board of Directors for a period of 26 months, to issue shares in the Company and/or securities giving immediate or future access to shares in the Company, by means of a public offering, without preferential subscription rights but with a 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 on corporate governance and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-135, L. 225-136, and L. 228-91 *et seq.*:

- (i) authorizes the Board of Directors to carry out one or more capital increases *via* the issue, without preferential subscription rights, by means of a public offering in France or other countries, of shares or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company, in the proportion and at the times that it deems appropriate, which can be subscribed either in cash or by offsetting receivables;
- (ii) decides to cancel the shareholders' preferential subscription rights to the 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) 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 21<sup>st</sup> resolution and 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 at the date of the decision to carry out the issue. This amount (a) does not include any redemption premium(s) in excess of any existing par value and (b) applies to all the debt securities that may be issued pursuant to the 15<sup>th</sup> to 20<sup>th</sup> 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 date of setting the issue price, less a discount of 5%) after correction, if any, of this amount to take into account the difference in the dividend entitlement date;
- (ix) decides that the Board of Directors may not use this delegation of authority without prior authorization from the 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;
- (x) grants full powers to the Board of Directors, or any person duly authorized under the conditions set by law to act on its behalf, to *inter alia*:
  - set the amount of the issues, the issue price, the nature and characteristics of the securities to be issued, as well as the other terms and conditions of the issue thereof,
  - carry out the planned issues and, where applicable, suspend them,
  - deduct the 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 7 June 2016 in its 10<sup>th</sup> resolution.



**SEVENTEENTH 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 an offering referred to in Article L. 411-2 II of the French Monetary and Financial Code)*

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

- (i) authorizes the Board of Directors to carry out one or more capital increases via the issue, without preferential subscription rights, in France or any other country, of shares or securities giving immediate or future access by any means to existing shares or shares to be issued in the Company, in the proportion and at the times that it deems appropriate, in the context of an offering referred to in Article L. 411-2 II of the French Monetary and Financial Code, which may be subscribed either in cash or by offsetting 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 21<sup>st</sup> resolution below and that may be increased, where applicable, by the additional nominal amount of the shares to be issued in order to preserve the rights of holders of securities and other rights granting access to shares in the Company, in accordance with the law and any applicable contractual provisions;
- (v) decides that the maximum nominal amount of debt securities giving immediate or future access to shares in the Company that may be issued pursuant to this resolution is one (1) billion euros or the euro equivalent in a foreign currency or unit of account at the date of the issue. This amount (a) does not include any redemption premium(s) in excess of any existing par value and (b) applies to all the debt securities that may be issued pursuant to the 15<sup>th</sup> to 20<sup>th</sup> 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 date of setting the issue price, less a discount of 5%) after correction, if any, of this amount to take into account the difference in the dividend entitlement date;
- (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 7 June 2016 in its 11<sup>th</sup> resolution

## EIGHTEENTH 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 16<sup>th</sup> and 17<sup>th</sup> 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, as the case may be, in either case a maximum discount of 5%,
  - 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 16<sup>th</sup> or 17<sup>th</sup> resolutions as applicable and in the overall limits provided for in the 21<sup>st</sup> 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 7 June 2016 in its 12<sup>th</sup> resolution.

## NINETEENTH 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 17<sup>th</sup> 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 7 June 2016 in its 13<sup>th</sup> resolution.

## 20<sup>TH</sup> RESOLUTION GREENSHOE

### OVERVIEW

The purpose of the **20<sup>th</sup> 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 15<sup>th</sup> to 19<sup>th</sup> 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.

### TWENTIETH 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 15<sup>th</sup> to 19<sup>th</sup> 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 7 June 2016 in its 14<sup>th</sup> resolution.

## 21<sup>ST</sup> RESOLUTION OVERALL LIMIT OF SHARE CAPITAL INCREASES

### OVERVIEW

The purpose of the **21<sup>st</sup> 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 15<sup>th</sup> to 20<sup>th</sup> resolutions, to **€379 million, i.e., approximately 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 17<sup>th</sup> and 19<sup>th</sup> resolutions would be **10% of the Company's share capital at the date of this annual general meeting.**

### TWENTY-FIRST 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 global 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 15<sup>th</sup> to 20<sup>th</sup> resolutions at three hundred and seventy-nine (379) million euros, *i.e.*, approximately 50% of the share capital on the date of this annual general meeting;

- the overall limit for issues without preferential subscription rights that may be carried out pursuant to the delegations of authority and authorizations granted by the 17<sup>th</sup> to 19<sup>th</sup> 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.

## 22<sup>ND</sup> 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, 5.1% of outstanding shares were owned by employees at 31 December 2017. The Group intends to pursue this dynamic employee share ownership policy.

The purpose of the **22<sup>nd</sup> resolution** is to **renew the delegation of authority** granted to the Board of Directors by the annual general meeting on 7 June 2016 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., around **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 opening trading prices for the twenty trading days prior to the date of the decision setting the subscription period opening date, less the maximum 20% discount provided for by law.

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

### TWENTY-SECOND 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 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 within the limit of the applicable legal and regulatory provisions, the Board of Directors may provide for the free grant of new or existing shares or of securities giving access to existing shares or shares to be issued in the Company, as employer's additional contribution or, where applicable, as discount;
- (v) 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;
- (vi) decides that the subscription price of the shares to be issued will be equal to the average of the Arkema share's Euronext Paris opening trading prices for the twenty (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;
- (vii) decides that the Board of Directors will be able to grant free shares or securities giving access to shares in the Company to replace all or part of the abovementioned discount. The total benefit resulting from this grant may not exceed the limits provided for by the laws or regulations;
- (viii) decides that the Board of Directors will be able to provide for the free grant of existing shares or securities giving access to existing shares in the Company provided that the total benefit resulting from this grant and, where applicable, the abovementioned discount does not exceed the limits provided for by law, and that, taking into account the equivalent monetary value of the free shares or securities giving access to shares in the Company, assessed at the subscription price, the limits provided for by law are not exceeded.

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

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

The annual general meeting decides that this authorization is granted for a period of twenty-six (26) months from the date of this annual general meeting. It renders ineffective the unused portion of any prior delegation of authority granted for the same purpose and in particular that given by the annual general meeting of 7 June 2016 in its 16<sup>th</sup> resolution.

## 23<sup>RD</sup> RESOLUTION      POWERS FOR FORMALITIES

### TWENTY-THIRD 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, rapid 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, we propose you to opt for the e-notice **for the general meetings to be held following that of 18 May 2018**. 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.

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 propose you to renew your request by filling in and sending us the reply form below or by logging into the Planetshares website.



## REPLY FORM TO OPT FOR THE E-NOTICE



**Please return the form to:**

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

I wish to receive by email 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 18 May 2018.

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

I, the undersigned,

Mrs  Miss  Mr

Name: ..... First name: ..... Date of birth (dd/mm/yyyy): .....

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

Signed at: ..... on: .....  
Signature



# REQUEST FORM FOR ADDITIONAL DOCUMENTS

COMBINED ANNUAL GENERAL MEETING  
**Friday 18 May 2018**

20  
**18**



Documents and information referred to in article R. 225-83 of the French Commercial Code, included in the 2017 Reference Document, are available and/or can be ordered on [www.finance.arkema.com](http://www.finance.arkema.com).



**Please return the form to:**

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

I, the undersigned,

Mrs  Miss  Mr  Company

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

N°: ..... Street: .....

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

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

Acknowledge having received the documents relating to the combined annual general meeting of 18 May 2018 and referred to in Article R. 225-81 of the French Commercial Code, *i.e.*, the agenda, proposed resolutions and summary presentation of the Company's situation during the year just ended (together with a table of the last five-year results).

Request Arkema to send me prior to the combined annual general meeting, the documents and information referred to in Article R. 225-83 of the French Commercial Code and included in the 2017 Reference Document.

Request for a hard copy of these documents

Request for an electronic version of these documents

Signed at: ..... on: ..... 2018

Signature



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