



2020 GENERAL MEETING

19 May 2020

ARKEMA
INNOVATIVE CHEMISTRY





COVID-19 UPDATE



OUR ORGANIZATION'S PRIORITIES AGAINST COVID-19

COVID-19 update



OUR FIRST PRIORITY, TO GUARANTEE A HIGH LEVEL OF HEALTH PROTECTION TO OUR EMPLOYEES PRESENT ON OUR SITES



ORGANIZE TELEWORKING AND MANAGE THE COMPANY CLOSELY



ENSURE THE CONTINUITY OF OUR ACTIVITIES AND CUSTOMER SERVICE



ORGANISE A PROGRESSIVE LIFTING OF LOCKDOWNS IN THE COMING WEEKS

REACTIVITY AND CONFIDENCE IN THE ECONOMIC AND FINANCIAL MANAGEMENT OF THIS UNPRECEDENTED CRISIS

COVID-19 update



SIGNIFICANT DECLINE IN GLOBAL DEMAND IN Q2

GRADUAL IMPROVEMENT EXPECTED FROM MID-YEAR

BENEFITS OF DIVERSIFIED END-MARKETS AND BALANCED GEOGRAPHIC EXPOSURE

IMPLEMENTATION OF DECISIVE MEASURES TO ADAPT COSTS AND CAPITAL EXPENDITURE



SOLID FINANCIAL STRUCTURE AND HIGH LEVEL OF LIQUIDITY



ARKEMA SUPPORTIVE AND RESPONSIBLE

COVID-19 update



PRODUCTION AND DISTRIBUTION OF HAND SANITIZER TO HOSPITALS



DEVELOPMENT OF ESSENTIAL MATERIALS FOR HEALTH AND MEDICAL EQUIPMENT



DIVIDEND DECLINE OF 12% RELATIVE TO 2019



DONATIONS FROM THE CEO, THE EXECUTIVE COMMITTEE AND NUMEROUS MANAGERS



2019 PERFORMANCE



ARKEMA IN A NUTSHELL

2019 performance



20,500
employees

55
countries



€8.7 bn
sales

16.7%
EBITDA margin



144
Industrial sites

€607 m
capital expenditure ⁽¹⁾



3
regional R&D hubs

€249 m
R&D costs

(1) Recurring and exceptional

2019 figures

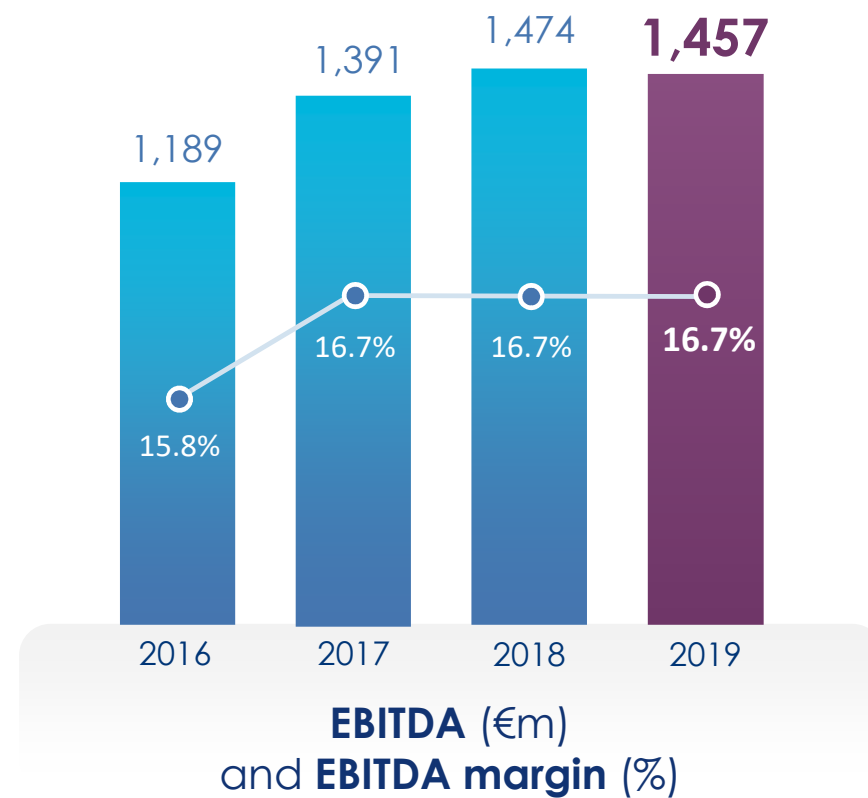
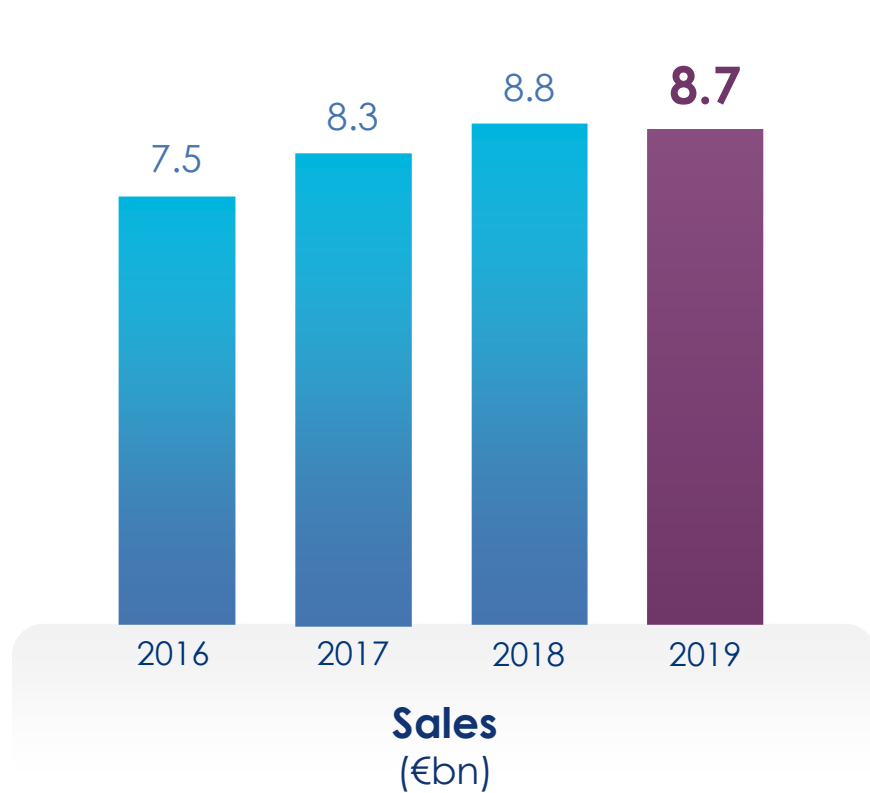
DIVERSIFIED AND ATTRACTIVE END-MARKETS

2019 performance



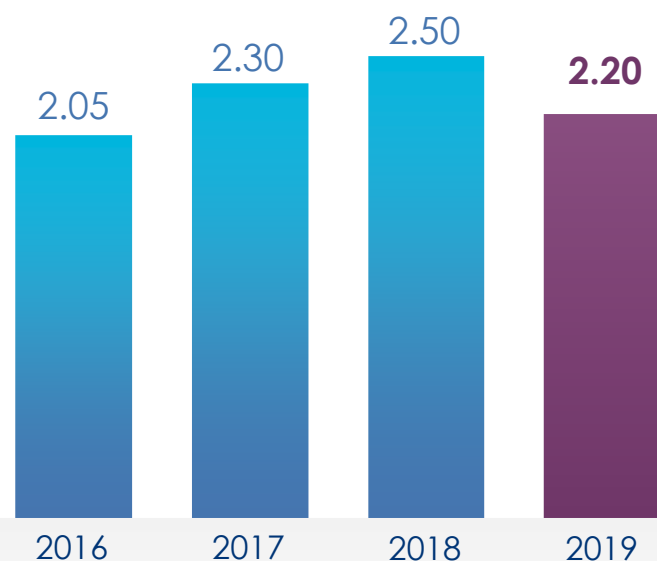
A HIGH-LEVEL FINANCIAL PERFORMANCE

2019 performance



EXCEPTIONAL REDUCTION OF THE DIVIDEND IN THE CONTEXT LINKED TO COVID-19

2019 performance



Dividend
(euros / share)

Dividend proposal submitted to the vote of today's general meeting

Pay-out

27%

(as a % of adjusted net income / share)

Dividend yield

2.3%

(as a % of the share price as of 31/12/2019)

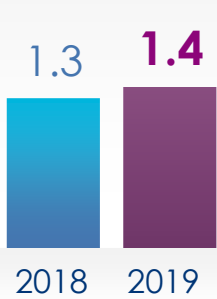
The Board of Directors also signaled its intent, when a return to normality takes shape and the appropriate conditions are met, to restitute to shareholders the difference with the 2.70 euros initially announced amount in a manner yet to be defined.

SAFETY AND DIVERSITY AT THE CORE OF OUR ACTION

2019 performance

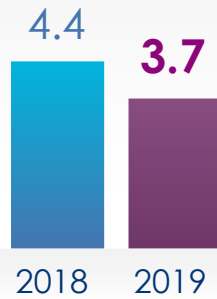


SAFETY



Total recordable injury rate (TRIR)

(Number of accidents per million hours worked)

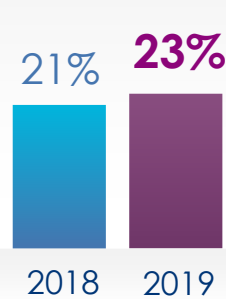


Process safety event rate (PSER)

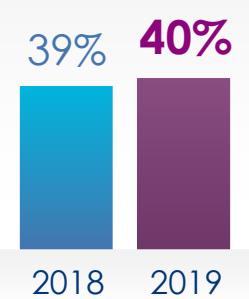
(Number of process safety events per million hours worked)



DIVERSITY



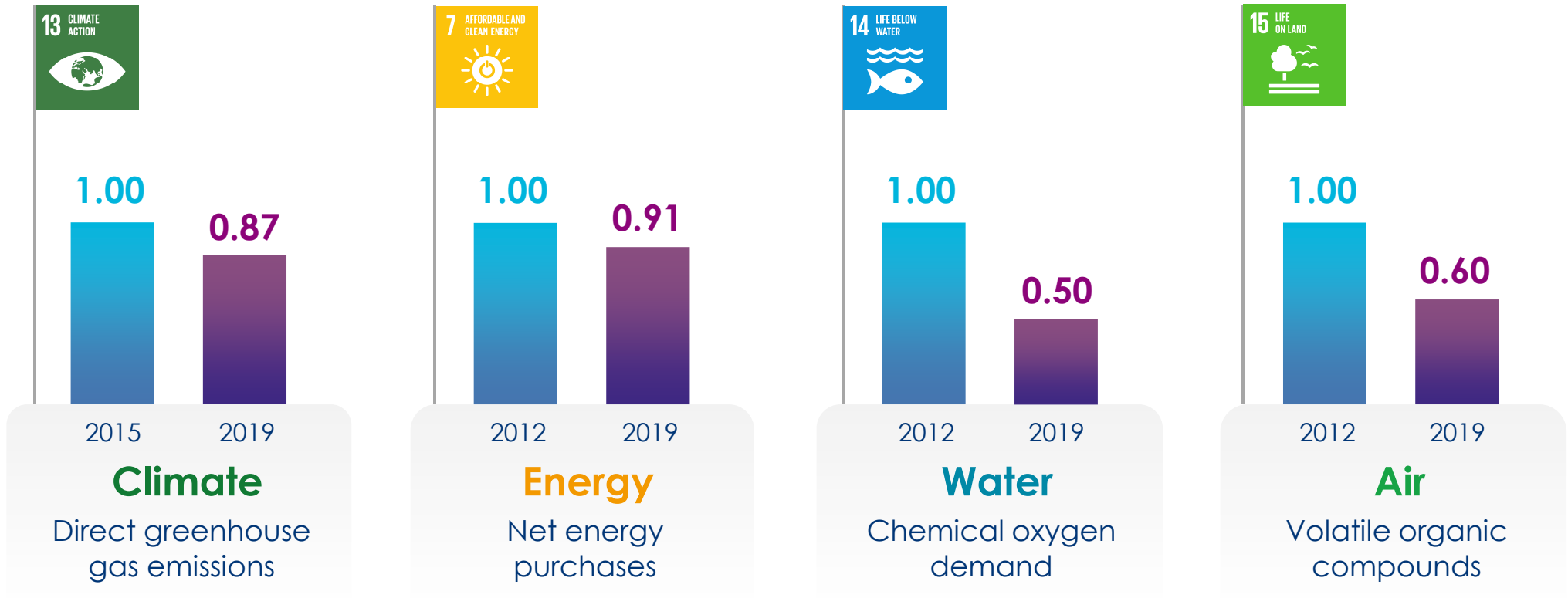
Percentage of women in senior management



Percentage of non-French nationals in senior management

ENVIRONMENTAL FOOTPRINT REDUCTION

2019 performance

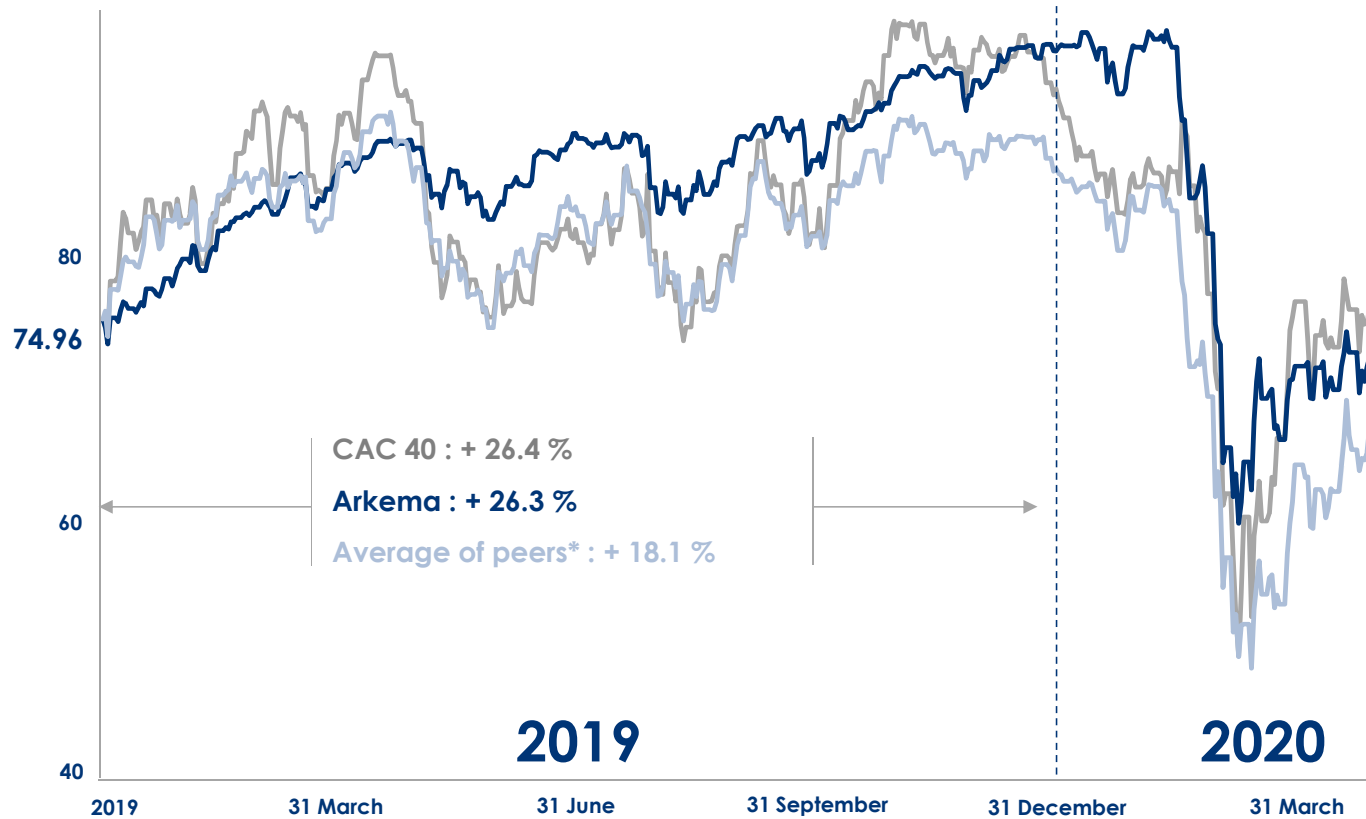


In absolute value terms compared with 2015 for the climate, and in EFPI terms relative to a base of 1 in 2012 for energy, water and air.

EVOLUTION OF THE SHARE PRICE SINCE 1st JANUARY 2019

2019 performance

Since May 2006
(with reintegrated dividends)



CAC 40
Arkema
Peers' average*

around
x1.5

around
x2

more than
x3

* The panel of chemicals peers includes Ashland, BASF, Celanese, Clariant, Dupont, Eastman, Evonik, HB Fuller, Lanxess, Solvay



2019 HIGHLIGHTS



BOLT-ON ACQUISITIONS IN ADHESIVES

2019 highlights



Automotive



Construction

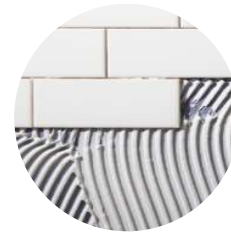


Textile



Medical

Specialized in high-performance thermobonding adhesive films



Tiles



Waterproofing



Floor

Danish leader in tile adhesives, waterproofing systems and floor preparation solutions

ARRMAZ, A HIGHLY COMPLEMENTARY ACQUISITION

2019 highlights



Major player in **specialty surfactants**, based in the United States

Sales US\$290 m
Very resilient EBITDA margin of 18%

Crop nutrition



Mining



Infrastructure



INDUSTRIAL START-UPS WITH ATTRACTIVE RETURNS

2019 highlights

CLEAR LAKE
New 90,000 tonnes per year acrylic acid reactor

Coating Solutions



MOBILE
Start-up of the Kepstan® PEKK unit

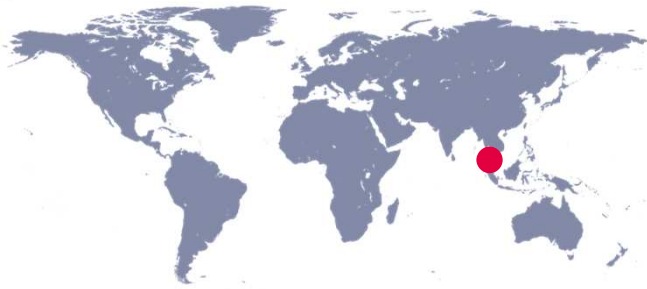
MONT
> 50% global capacity increase of high-performance PA12 powders

NANSHA
Production capacity increase of 30% for liquid photocure resins

Advanced Materials

EXTENSION IN MALAYSIA IN THIOCHEMICALS

2019 highlights



Doubling of methyl mercaptan production capacity in Kerteh (Malaysia)

Start-up in first quarter 2020

Animal nutrition



Refining



Petrochemicals



3D PRINTING GROWING STRONGLY

2019 highlights

AEROSPACE



Extremely complex part made of Kepstan® PEKK composite



SPORTS



Made-to-measure helmet made of 100% biosourced Rilsan® PA11



INDUSTRY



High chemical resistance flange made of Kynar® PVDF



Partnership, and acquisition of a \$20m stake in Carbon®

Carbon®

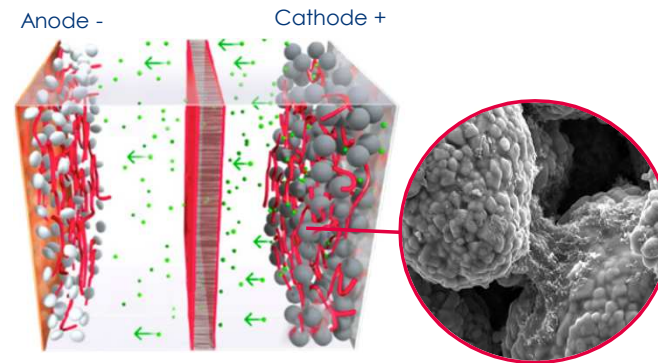
INCREASINGLY EFFECTIVE LITHIUM-ION BATTERIES

2019 highlights

ELECTRIC VEHICLES



Optimized cell performance
(charge time, energy density, recyclability)



GRAPHISTRENGTH
BY ARKEMA

FORANEXT
BY ARKEMA

KYNAR
BY ARKEMA

Excellent heat transfer and battery pack weight reduction

Bostik
smart adhesives

ELIUM
BY ARKEMA

RILSAN
BY ARKEMA

COMPOSITES FOR MATERIALS LIGHTWEIGHTING

2019 highlights

WIND



Recyclable wind turbine blades
Elium[®] composites + glass
and Elium[®] + carbon

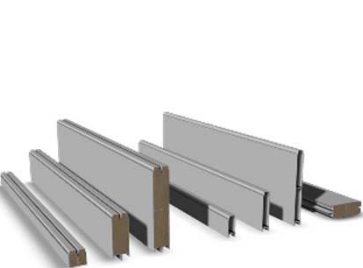
AERONAUTICS



Main structure of aircraft
Kepstan[®] PEKK + carbon
Joint R&D laboratory in
France with



CONSTRUCTION



Rebars, modular
construction profiles
Elium[®] composites + glass

NEXOON



HYDROGEN



PVDF hydrogen tank with
piezoelectric sensors for control
system

- Type V: Rilsan[®] Matrix + carbon
- Type IV: Elium[®] + carbon
- Liner : Rilsan[®] PA11

PIEZOTECH® ELECTRO-ACTIVE FLUORINATED POLYMERS

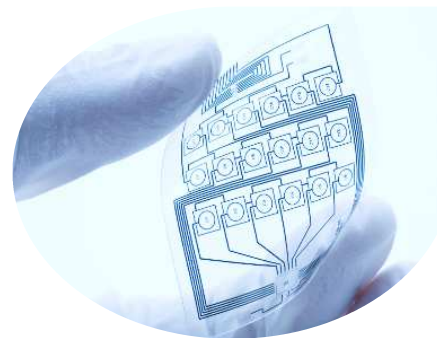
2019 highlights

VIRTUAL REALITY



Haptic actuators for gaming, automotive, man-machine interface

HEALTH



Printed biomedical sensors (heart rate...)
Connected textile
Smart floors for fall detection

ENERGY



Integrated sensors in materials to monitor wind turbines, batteries, photovoltaic panels...

SAFETY



Fingerprint recognition

CONTINUED CROSS-FUNCTIONAL INITIATIVES

2019 highlights

COMMERCIAL EXCELLENCE



Cross-functional approach by market



Development of key accounts



Sales Academy

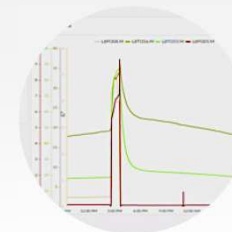


Digitalization of customer care

DIGITAL COMPETENCE



Mobile applications for craftsmen



Artificial intelligence to optimize operations



Safety training using virtual reality



Set-up of digital "champions"



2019 FINANCIAL PERFORMANCE

based on the organization of the Group as of 31 December 2019





KEY FIGURES

2019 financial
performance

€8,738 m
Sales

close to the 2018
level

€1,457 m
EBITDA

16.7%
EBITDA margin

€625 m
Adjusted net income

€8.20
per share

€1,631 m
Net debt

+ €700 m hybrids

HIGH PERFORMANCE MATERIALS (47% OF SALES)

2019 financial
performance

In €m	2018	2019	YoY change
Sales	3,970	4,065	+ 2.4%
EBITDA	640	654	+ 2.2%
EBITDA margin	16.1%	16.1%	

Remarkable performance of Bostik with high-teens EBITDA growth

Good resistance of Advanced Materials in spite of the slowdown of certain end-markets in the 2nd half



INDUSTRIAL SPECIALTIES (29% OF SALES)

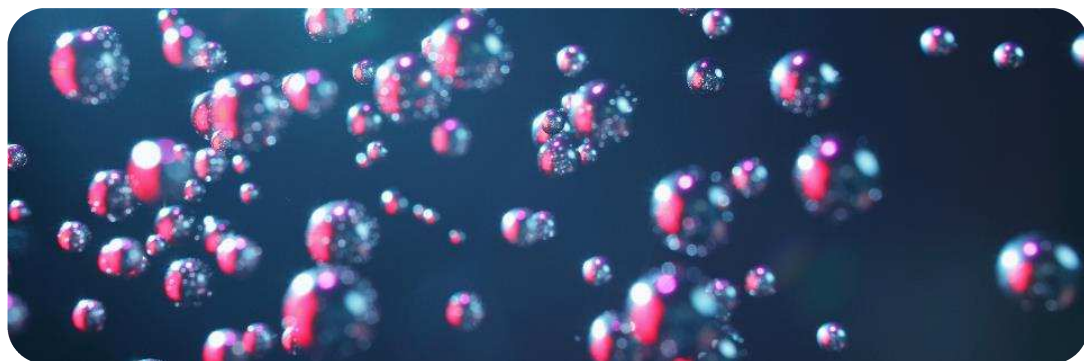
2019 financial performance

In €m	2018	2019	YoY change
Sales	2,699	2,514	- 6.9%
EBITDA	675	621	- 8.0%
EBITDA margin	25.0%	24.7%	

Very good performance of Thiochemicals and growth of H₂O₂

Normalization in the MMA/PMMA chain and illegal imports in Fluorogases in Europe

Stability of margins at a high level



COATING SOLUTIONS (24% OF SALES)

2019 financial performance

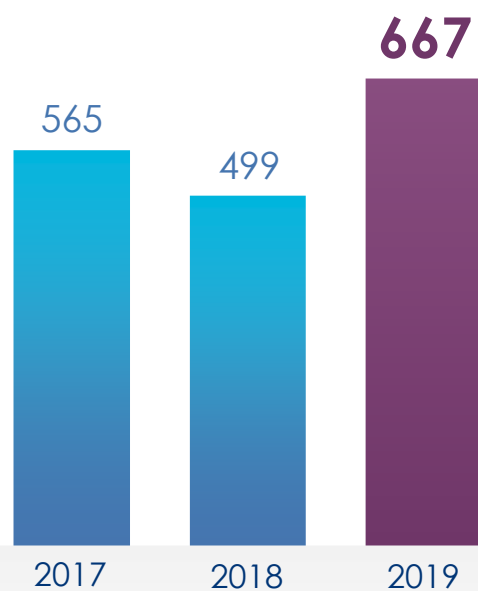
In €m	2018	2019	YoY change
Sales	2,120	2,133	+ 0.6%
EBITDA	243	264	+ 8.6%
EBITDA margin	11.5%	12.4%	

Strong volume growth in the US and in Asia

Margin improvement in a more favorable raw materials context



RECORD CASH FLOW GENERATION



Free cash flow (€m)

EBITDA to cash conversion rate

52%

above the target of 35%

Working capital (% of annual sales)

13.8%

close to the very good level of 2018

Recurring and exceptional capital expenditure

€607 m

acceleration of major organic growth projects

Tax rate (as a % of REBIT)

19%

stable relative to 2018

A VERY SOLID BALANCE SHEET



Gearing

(net debt excluding hybrids divided by shareholders' equity)

31%

Net debt / EBITDA

1.1x

Acquisition of ArrMaz

(included in net debt as of 31/12/2019)

\$570 m enterprise value

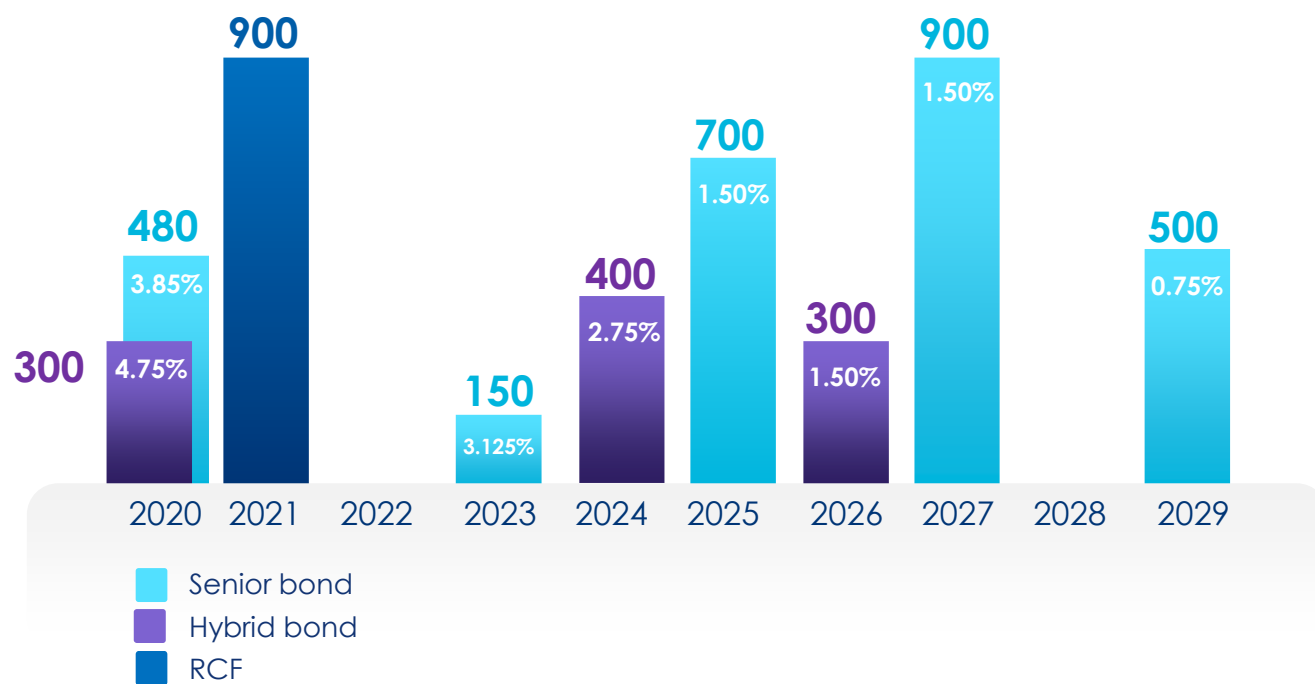
Hybrid bonds

(booked as shareholders' equity)

€700 m

REFINANCINGS ACHIEVED

2019 financial performance



- December 2019: new 10-year bond issue of **€500 m**
- January 2020: new 6-year hybrid bond of **€300 m***

* New hybrid bond with a first call option exercisable after 6 years giving Arkema the possibility to refinance the 2020 hybrid should the reimbursement option be exercised

Q1 2020 KEY FIGURES

€2,088 m
Sales

down 5.7%

€300 m
EBITDA

14.4%
EBITDA margin

€100 m
Adjusted net income

€1.31
per share

€1,481 m
Net debt

+ €1 bn hybrids

FINANCIAL RESOLUTIONS

- **Approval of the parent company and consolidated financial statements for 2019**
 - 1st and 2nd resolutions
 - **Renewal of a statutory auditor's term**
 - 10th resolution
 - **Renewal of the authorization to buy back shares: 2020 programme**
 - 11th résolution
 - **Renewal of the delegations of authority to the Board to increase the share capital**
 - With PSR (12th resolution) - ceiling : €383 m, or 50 % of total share capital
 - Without PSR with a priority period (13th résolution) - ceiling : 10 % of total share capital
 - Without PSR by private placement or contribution in kind (14th and 16th resolutions) - ceiling : 10 % of total share capital
- Global ceilings:** 50 % of total share capital and 10 % of total share capital for those without PSR and without priority period (18th resolution)

Duration : **26 months**

Use is prohibited during a public offering on the Company's shares



CORPORATE SOCIAL RESPONSIBILITY



CSR COMMITMENT INTEGRATED ACROSS THE WHOLE VALUE CHAIN

CSR

With our suppliers

Arkema and its community

For our customers



Responsible sourcing



Climate & Environment



Safety



Diversity

Mentoring programs



Community



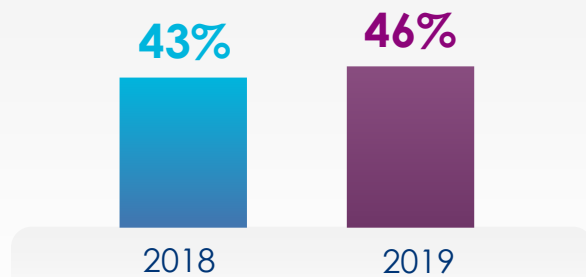
Innovation for sustainable development



SUSTAINABLE SOLUTIONS DRIVEN BY INNOVATION

ASSESSMENT OF THE SOLUTIONS PORTFOLIO

Percentage of sales which significantly contribute to the Sustainable Development Goals ⁽¹⁾



(1) based on the assessment 44% of Group sales in 2019.

RESEARCH & INNOVATION TO SUPPORT SUSTAINABLE DEVELOPMENT

In 2019, **149** patent applications linked to sustainable development, representing **67%** of the total number of patent applications.



ARKEMA, A RESPONSIBLE MANUFACTURER: NEW 2030 TARGETS

CLIMATE

ENVIRONMENT



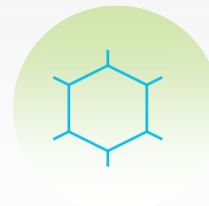
Commitment to global warming of **well below 2 °C**, in line with the Paris agreement

Greenhouse gas emissions



-38%
vs 2015

Volatile organic compounds



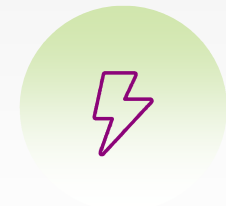
-65%
vs 2012

Chemical oxygen demand



-60%
vs 2012

Net energy purchases



-20%
vs 2012

Climate target in absolute value compared with 2015, environmental targets in EFPI terms compared with 2012

OPEN DIALOGUE WITH OUR STAKEHOLDERS

MATERIALITY ASSESSMENT

5 priority areas were defined, covering issues identified in this assessment and relating to Arkema's mission.



SUSTAINABLE SOLUTIONS



CIRCULAR ECONOMY



CLIMATE



INDUSTRIAL RISKS



WELL-BEING AND HEALTH

ARKEMA AND ITS COMMUNITY

COMMON GROUND®

Nearly **1000** initiatives taken

PHILANTHROPY

Funds for education, salary rounding, sponsoring

EMPLOYEES

80% are actively engaged

DIVERSITY

Promotion of women and international talents in senior management

STRONG CSR REQUIREMENTS

CSR

NON-FINANCIAL RATINGS

OUR AMBITION



1. Not disclosed



2024 STRATEGY





OUR VISION

2024 strategy



Become a **global leader in Specialty Materials** offering the most **innovative and sustainable** solutions to meet our **customers' needs**, today and for the future

ARKEMA HAS AN UNIQUE KNOW-HOW IN MATERIALS

2024 strategy

Structural materials



Material bonding



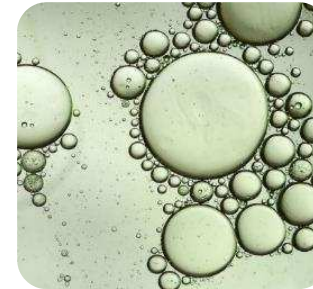
Protective surface



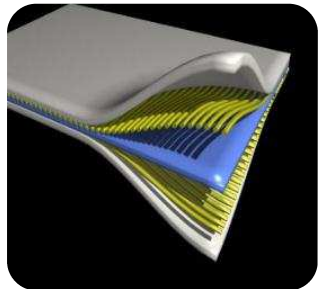
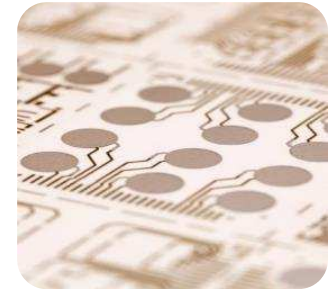
Additive technology



Surface science



Piezoelectric materials



Composite materials



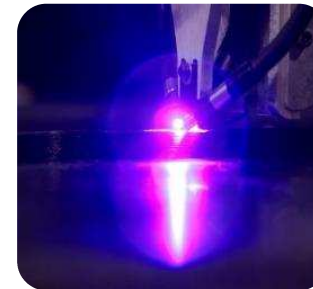
Recyclable materials



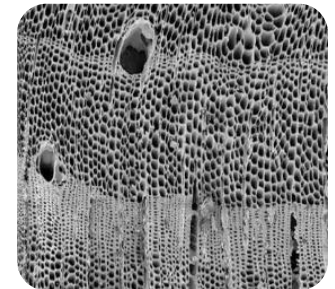
Biosourced materials



Rheology modifiers



Photocure technology



Nanoscience

A KNOW-HOW ORGANIZED AROUND 3 HIGHLY SYNERGISTIC SEGMENTS

2024 strategy



A NEW ORGANIZATION ALIGNED WITH OUR VISION

2024 strategy



Adhesive Solutions

Advanced Materials

Coating Solutions

Intermediates

Construction & Consumer

Industrial Assembly

High-Performance Polymers

Performance Additives

Coating Resins

Coating Additives

PMMA
Fluorogases
Asia Acrylics

24%

31%

24%

21%

Specialty Materials: 79%

The percentages represent the share of 2019 sales of each segment

EVOLUTION OF THE EXECUTIVE COMMITTEE

2024 strategy



Thierry Le Hénaff
Chairman and CEO



Marie-José Donsion
CFO



Thierry Parmentier
EVP Human Resources and
Corporate Communication



Bernard Boyer
EVP Strategy



Luc Benoit-Cattin
EVP Industry and CSR



Vincent Legros
EVP Adhesive solutions



Marc Schuller
COO



Richard Jenkins
Coating Solutions



Marie-Pierre Chevallier
Performance Additives



Erwoan Pezron
High-Performance
Polymers

BECOME A PURE SPECIALTY MATERIALS PLAYER

2024 strategy

OUR 2024 AMBITION



SPECIALTY MATERIALS

INTERMEDIATES

€10-11 bn sales

GDP+ organic growth

High group **profitability** of ~17%
EBITDA margin

Strong **cash flow** generation

Superior **resilience**



3-3.5% average annual organic
revenue growth



Acquisitions to more than **double**
organic growth



Increase EBITDA margin from
15.8% to ~17% ¹



>40% cash generation ²



Develop differentiated
strategies across
businesses

1. Net of corporate costs, corresponding to ~1% of sales

2. Free cash flow excluding exceptional CAPEX divided by EBITDA

OUR STRATEGY IN ADHESIVE SOLUTIONS

2024 strategy

2019 KEY FINANCIALS

 **€2.1 bn**
sales


 **12.9%**
EBITDA margin

 **3%¹**
CAPEX intensity

¹ As a % of sales


2024 AMBITION

 **30-35%**
percentage of group sales

 **High single digit**
annual sales growth,
including acquisitions

 **+ 300 bps**
EBITDA margin increase

GROWTH LEVERS

 **Geographic expansion and technological developments**
(high performance adhesives for industrial assembly, waterproofing and flooring)

 **Operational excellence**

 **Bolt-on acquisitions** in a still fragmented market

OUR STRATEGY IN ADVANCED MATERIALS

2024 strategy

2019 KEY FINANCIALS

 **€2.7 bn**
sales

 **21.7%**
EBITDA margin

 **7-8%¹**
CAPEX intensity


AMBITION 2024


 **35-40%**
percentage of group sales

 **4%**
average annual organic
growth

 **Stable at 22%**
EBITDA margin

GROWTH LEVERS

 **Major industrial projects** in Asia,
with attractive returns
(bio-sourced polyamides, PVDF and
thiochemicals)

 **Innovation** with a focus on
sustainability
(lightweighting, 3D printing, new
energies...)

 Strategic and technological
partnerships with our
customers

¹ As a % of sales

OUR STRATEGY IN COATING SOLUTIONS

2024 strategy

2019 FINANCIALS

 **€2.1 bn**
sales

 **14.4%**
EBITDA margin

 **5-6%¹**
CAPEX intensity

¹ As a % of sales

2024 AMBITION

 **25-30%**
percentage of group sales


 **3%**
average annual organic
growth

 **+150 bps**
EBITDA margin increase

GROWTH LEVERS

 **Increase our capacities** in fast
growing regions
(photocure resins in China, powder
coatings in India)

 **Optimize** operating models
(reinforcing the integration of
industrial platforms and downstream
activities)

 Further strengthen **sustainable
technology** offering
(low-VOC formulations, bio-sourced
solutions)

DIFFERENTIATED STRATEGIES IN INTERMEDIATES

2024 strategy

MMA / PMMA



€0.6 bn*
2019 sales

Explore possibility of sale

FLUOROGASES



€0.7 bn
2019 sales

Focus on
specialty segments
€0.2 bn

Investigate **strategic alternatives** for
emissive applications
€0.5 bn

ASIA ACRYLICS



€0.3 bn
2019 sales

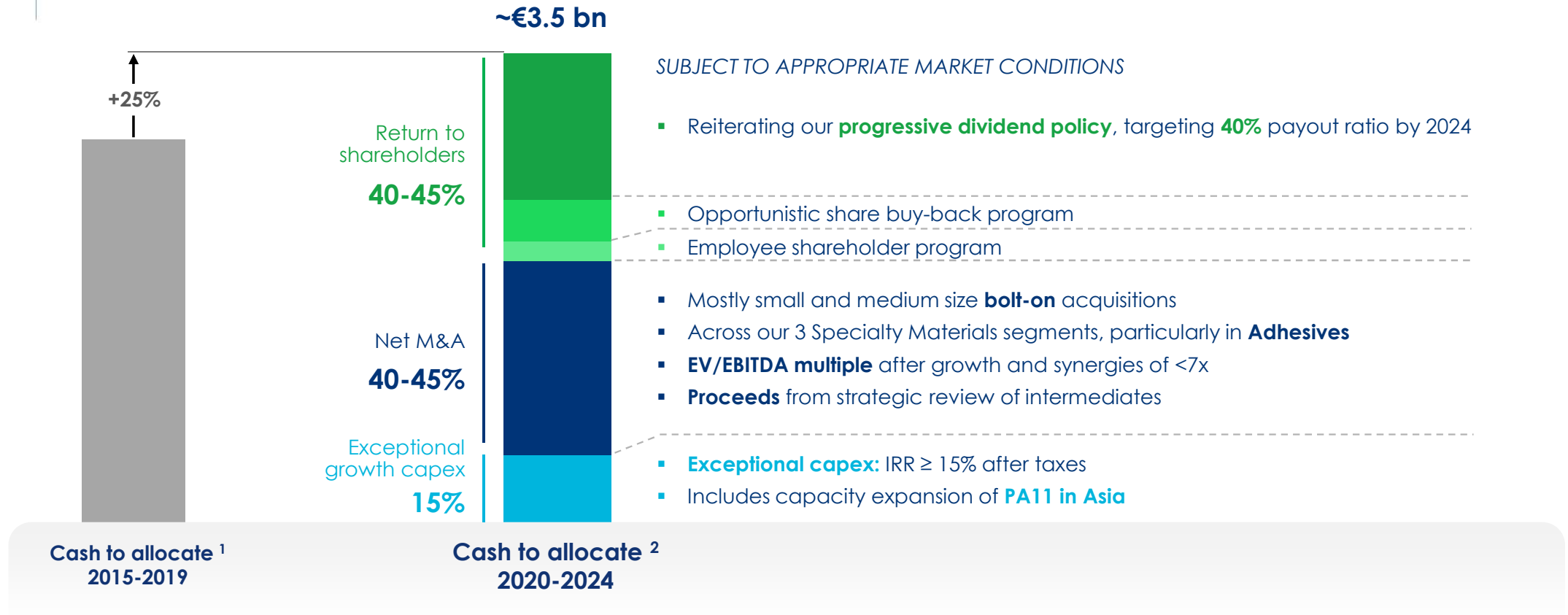
Balance acrylic monomer
capacity and downstream growth

These activities will be integrated
in Specialty Materials once the
strategies are executed

Strategic review in progress to assess the best path for each component – pending appropriate market conditions

* Excludes the Functional Polyolefins business (€0.2 bn sales in 2019) - closing of disposal expected in Q2 2020

CASH ALLOCATION FOR 2020-2024



1. Cash from operations minus recurring CAPEX

2. Cash from operations minus recurring CAPEX plus additional net debt available at constant leverage (1.6x including €700m hybrid bonds)

STRICT FINANCIAL DISCIPLINE

2024 strategy



Return on capital employed
>10%



Net debt to EBITDA ratio
<2x
incl. hybrid bonds



Solid investment grade
rating



Recurring Capex
~5.5%
of sales



Controlled working capital
~14%
of sales



GOVERNANCE



THE BOARD OF DIRECTORS IN 2019

13
members

1 director representing
shareholder employees

1 director
representing employees

64%

7 independent directors out of 11*

* In line with the recommendations of the AFEP-MEDEF code

45 %

of women**

** Excluding directors representing employees and shareholder employees, in line with the AFEP-MEDEF code

AN EXPERIENCED AND DIVERSIFIED BOARD

- Skills complementarity: extensive knowledge of **chemicals** (5 directors), **finance**, **acquisitions**, **CSR** and **digital**
- Diverse and significant **international** experience and **one director with British nationality**

RECENT CHANGES IN THE BOARD OF DIRECTORS' COMPOSITION

Governance

4 NEW INDEPENDENT DIRECTORS APPOINTED IN THE PAST 3 YEARS



Yannick ASSOUAD

- Experience in executive management
- Knowledge of certain end-markets and digital



Alexandre DE JUNIAC

- Chairman and CEO of IATA
- Knowledge of certain end-markets and industry in general



Marie-Ange DEBON

- Experience in executive management
- Skills in finance and M&A



Ian HUDSON

- Deep knowledge of chemicals, and of emerging markets
- Skills in marketing, finance and sustainable innovation (CSR)

- **These appointments help maintain the independence of the Board and strengthen its skills set** in essential areas for Arkema such as executive management of a quoted company, the chemicals sector, international experience, finance, corporate governance and knowledge of end-markets.
- **The Board will continue to proactively renew its composition** by adding the experience and the knowledge it needs to support the Group's 2024 ambition and its new challenges.

ACTIVITY OF THE BOARD AND THE COMMITTEES IN 2019

BOARD OF DIRECTORS

8
meetings

95%
attendance rate

1
annual seminar
dedicated to strategy

1
2-day on-site visit in
Holland at
Den Braven (Bostik)

SENIOR INDEPENDENT DIRECTOR SINCE 2016

- Participates in governance roadshows
- Leads the executive session
- Regular contact with directors and notably with the Chairman of the NCCG

SPECIALIZED COMMITTEES

AUDIT AND ACCOUNTS COMMITTEE

6 meetings

100% attendance rate

NOMINATING, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

4 meetings

92% attendance rate

ARKEMA'S GOVERNANCE STRUCTURE: CHAIRMAN AND CEO

An efficient structure at Arkema since 2006

- A strict respect of the **balance of powers** between the Board of Directors and executive management
- Robust **checks and balances**
- **Strong and independent personalities** within the Board
- A **constant engagement** and an interest developed by the directors for Arkema's strategy and major projects

A structure adapted to the needs of Arkema since 2006

- Which has demonstrated its efficiency and pertinence to **support Arkema's transformation** into a major, competitive, socially engaged player in specialty chemicals and advanced materials
- Which has allowed the **development of all of Arkema's components** (operational, financial, non-financial and governance)

A regularly confirmed structure, notably during the assessments of the Board of Directors in 2019 (external) and 2020 (self-assessment)

RENEWAL PROPOSED AT THE GENERAL MEETING

Thierry Le Hénaff

born 4th May 1963

Chairman and CEO



- "Founder" of Arkema in 2006
- Member of Michelin's supervisory board and audit committee
- Member of the Board of Directors of the *École Polytechnique* foundation

2015-2019 CAREER

- New phase in the deep transformation of the Group's profile
- High-level individual and collective performance
- Strong growth of Arkema's results
 - Sales : + 3.3% per year
 - EBITDA : +8.4% per year
 - Free Cash Flow : +10.8% per year
 - Net income : +17.5% per year

**Subject to the renewal of his term of office as director by the general meeting (5th resolution):
Renewal of the Chairman and CEO's term of office**

DIRECTORS' 2020 COMPENSATION POLICY AND ATTENDANCE FEES PAID IN 2019

Governance

✓ Proposed changes to the distribution modalities (6th resolution)

	Board of Directors	Committees		Senior indep. director
		Member	Chairmanship	
Fixed part	€25,000 (no change)			€10,000 (no change)
Variable part linked to physical presence (per session)	€3,500 (instead of 3,000)	€2,500 (instead of 2,000)	€5,000 (instead of 4,000)	
Variable part in case of shorter telephone conference call (per session)	€1,750 (instead of 1,500)	€1,250 (instead of 1,000)	€2,500 (instead of 2,000)	

- **Proposed budget: €800,000** per year allowing, if necessary, an increased number of meetings in a context requiring strong nimbleness
- Compensation policy proposed as of 2020 for a duration of 4 years

In the context of Covid-19: start date of the new distribution modalities postponed until 1st January 2021

✓ Amount of attendance fees paid in 2019 : €549,250 (8th resolution)

COMPENSATION POLICY FOR THE CHAIRMAN AND CEO FOR THE DURATION OF THE NEW TERM (7th RESOLUTION)

1/2

	AMOUNT	DESCRIPTION
Fixed compensation	€1,000k	<ul style="list-style-type: none"> • €900k unchanged since 2016, ie. an increase of 2.67% per year on average in the period • Start date postponed until 1st January 2021 in the context of Covid-19: €900k maintained until 31st December 2020
Variable compensation		<ul style="list-style-type: none"> • Target 120% et maximum 180% of fixed salary • 3 quantitative criteria : EBITDA, recurring cash flow and contribution of new developments <ul style="list-style-type: none"> • Weighting of each criteria : target 30% and maximum 45% of fixed salary • Total weighting : target 90% and maximum 135% of fixed salary (ie. 75% of criteria used) • qualitative criteria linked to the Group's priority areas : target weighting 30% and maximum 45% of fixed salary (ie. 25% of criteria used) • Start date postponed until 1st January 2021 in the context of Covid-19: range of 110%-150% maintained for 2020
Performance shares No change	30,000 shares	<ul style="list-style-type: none"> • Entirely subject to performance criteria: 5 criteria including 1 non-financial • 120% in case of outperformance • Acquisition period of 3 years (+ vesting period of 2 years)

COMPENSATION POLICY FOR THE CHAIRMAN AND CEO FOR THE DURATION OF THE NEW TERM (7th RESOLUTION)

2/2

	AMOUNT	DESCRIPTION
Retirement <i>No change</i>		<ul style="list-style-type: none"> • 20% of annual compensation (fixed + variable) • Implemented in 2016 (corresponding to the termination date of the supplementary defined benefit pension scheme)
Commitment linked to the termination of office		<ul style="list-style-type: none"> • In case of forced departure (before end of term) linked to a change of control or strategy • Indemnity amount: 2 years maximum (fixed salary of the year of departure + average of the last two years' variable compensation paid before the date of termination of office) • Criteria: each accounting for one third of the amount <ul style="list-style-type: none"> • TRIR: average of the 3 years preceding the departure date ≤ 1.4 • Annual VC: average over the last 3 years $\geq 75\%$ of target variable compensation • EBITDA to cash conversion rate: average over 3 years $\geq 35\%$ • Gradual reduction of the indemnity after the age of 60: no payment after the age of 65
Non-compete clause		<ul style="list-style-type: none"> • Duration: one year • Prohibited from engaging in an activity that competes with that of Arkema • Indemnity: 100% of annual compensation (annual fixed salary + average of the last two years' variable compensation paid before the date of termination of office)
Benefits in kind <i>No change</i>		<ul style="list-style-type: none"> • Company car • Corporate officer unemployment insurance • Group personal risk and health insurance plan

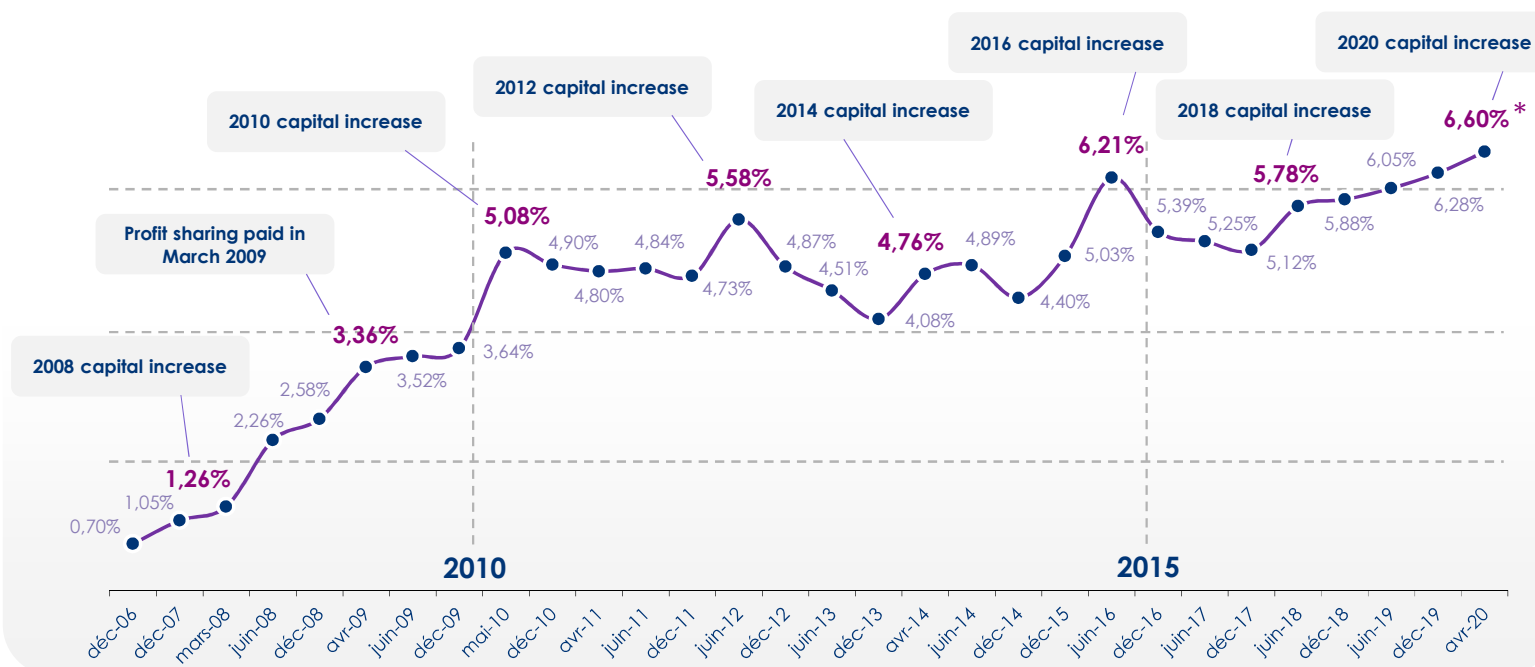
ELEMENTS OF THE CHAIRMAN AND CEO'S 2019 COMPENSATION SUBJECT TO APPROVAL (9th RESOLUTION)

Governance

	AMOUNT	DESCRIPTION
Fixed compensation	€900,000	<ul style="list-style-type: none"> Unchanged since 2016
Variable compensation	€1,143,000	<ul style="list-style-type: none"> High-level performance of the Group in a challenging market context 3 quantitative criteria: EBITDA, recurring cash flow and new developments <ul style="list-style-type: none"> 87% of fixed salary Qualitative criteria: implementation of the Group's strategy and main priorities + elements of operational management (including CSR) <ul style="list-style-type: none"> 40% of fixed salary <p>A total of 127% of fixed salary and 84.66% of the maximum, ie. total compensation down 15.3% relative to 2018</p>
Performance shares	30,000 shares €1,731,900* <small>* IFRS value on the date of the award</small>	<ul style="list-style-type: none"> 5 performance criteria: 20% of the final award for each <ul style="list-style-type: none"> REBIT margin EBITDA to cash conversion rate Comparative Total Shareholder Return Return on capital employed CSR: TRIR, climate (GHG) and percentage of women in senior management 120% in case of outperformance
Other elements	€408,600 €24,477	<ul style="list-style-type: none"> Retirement Company car and corporate officer unemployment insurance

CAPITAL INCREASE RESERVED FOR EMPLOYEES

- Capital increases reserved for employees carried out **every 2 years since 2006**
- **Policy of employee involvement** in the Group's development
- Subscription rate from employees underlining their attachment and **confidence in the Group**



Maintaining a strong involvement from employees in the Group's development and performance

Renewal of the delegation requested in the 19th resolution

* Estimate



DISCLAIMER

The information disclosed in this press release may contain forward-looking statements with respect to the financial position, results of operations, business and strategy of Arkema.

In the current context, where the Covid-19 epidemic continues to rapidly spread across the world, and the evolution of the situation as well as the magnitude of its impacts on the global economy are highly uncertain, the retained assumptions and forward-looking statements could ultimately prove inaccurate.

Such statements are based on management's current views and assumptions that could ultimately prove inaccurate and are subject to risk factors such as (but not limited to) changes in raw materials prices, currency fluctuations, the pace at which cost-reduction projects are implemented, developments in the Covid-19 situation, and changes in general economic and financial conditions. Arkema does not assume any liability to update such forward-looking statements whether as a result of any new information or any unexpected event or otherwise. Further information on factors which could affect Arkema's financial results is provided in the documents filed with the French Autorité des marchés financiers.

Information by segment is presented in accordance with Arkema's internal reporting system used by management.

Details of the main alternative performance indicators used by the Group are provided in the tables appended to this press release. For the purpose of analyzing its results and defining its targets, the Group also uses EBITDA margin, which corresponds to EBITDA expressed as a percentage of sales, EBITDA equaling recurring operating income (REBIT) plus recurring depreciation and amortization of tangible and intangible assets, as well as REBIT margin, which corresponds to recurring operating income (REBIT) expressed as a percentage of sales.