

ARKEMA

DECISIONS OF THE BOARD OF DIRECTORS MEETING ON 4TH MARCH 2009 REGARDING THE COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with regulatory provisions and the recommendations of the AFEP-MEDEF Code of December 2008, the decisions taken in application of this code by the Arkema Board of Directors at a meeting on 4th March 2009, on a recommendation from the Nominating and Compensation Committee, and relating to the compensation elements set out below for Mr Thierry Le Hénaff in his role as Chairman and Chief Executive Officer of Arkema, are set out below:

- ✓ The fixed gross annual compensation for 2009 shall remain unchanged from 2008, i.e. 610,000 euros.
- ✓ The variable part due for 2008 in terms of performance criteria based on meeting specific quantitative targets (EBITDA growth, return on capital employed) and qualitative targets related essentially to the implementation of the Group's strategy, shall stand at 231,800 euros.

(in euros)	Compensation of the Chairman and Chief Executive Officer		
	Due for 2007	Due for 2008	Due for 2009
Fixed compensation	570,000	610,000	610,000
Variable compensation	570,000	231,800	Will be determined in 2010 based on criteria below
Total	1,140,000	841,800	

- ✓ The variable part for 2009 may be up to a maximum of 150 % of the fixed annual compensation, and shall continue to be based on performance criteria related to the achievement of specific quantitative targets (EBITDA growth and free cash flow growth) and qualitative targets related essentially to the implementation of the Group's strategy.
- ✓ Indemnity in the event of early termination of contract.

The Board of Directors amended the conditions of the indemnity due to the Chairman and Chief Executive Office in the event of early termination of contract. These new conditions shall be applicable from 15th June 2009, the conditions provided for under the agreement approved by the Annual General Meeting on 20th May 2008 therefore remaining in force until that date.

In the event of early termination of contract (termination or non-renewal of mandate), or termination linked to a change of control of the Company or a change of strategy decided by the Board of Directors, and except in the event of serious or gross misconduct, Mr Thierry Le Hénaff shall benefit from a redundancy payment the amount of which shall be calculated on the basis of the fulfilment of five performance conditions as detailed below and shall not exceed twice his total annual gross compensation (fixed and variable). The basis for calculating the termination indemnity shall be the fixed annual compensation for the year in which the early termination of contract has occurred and the average of the last two annual variable compensation payments made prior to the date of early termination of contract.

Mr Thierry Le Hénaff was appointed Chairman and Chief Executive Officer at the beginning of 2006, therefore the reference index applicable when computing these five performance criteria shall be the index based on Group data at 31st December 2005.

The value of the end-of-period index to be taken into account in the computation of the criteria below shall be the average of the index calculated at Group level over the two years for which accounts have been published prior to the date of early termination of contract.

1st criterion - TRIR

TRIR (Total Recordable Injury Frequency Rate) shall have dropped by at least 5 % per year (average compound rate) between 31st December 2005 and the date at which this performance condition has been fulfilled as defined above.

2nd criterion - Comparative EBITDA Margin

This economic performance indicator shall be compared to that of chemical manufacturers in competition with and comparable to Arkema.

The growth in Arkema's EBITDA margin shall be at least equal to the average growth in the EBITDA margins of the companies in the reference panel between 31st December 2005 and the date at which this performance condition has been fulfilled as defined above.

3rd criterion - Working Capital Requirement (WCR)

The year-end WCR over annual sales ratio shall have decreased by at least 2.5 % per year (average compound rate) between 31st December 2005 and the date at which this performance condition has been fulfilled as defined above.

4th criterion - EBITDA Margin

The EBITDA margin over sales ratio shall have grown by at least 3 % per year (average compound rate) between 31st December 2005 and the date at which this performance condition has been fulfilled as defined above.

5th criterion - Fixed Costs

Productivity actions shall at least offset inflation. Arkema's recurring fixed costs, for constant business base and exchange rate, shall have dropped by at least 0.5 % per year (average compound rate) at current value between 31st December 2005 and the date at which this performance condition has been fulfilled as defined above.

- ✓ If 4 or 5 criteria have been fulfilled, Thierry Le Hénaff shall receive 100 % of the sums provided for in the event of early termination of contract.
- ✓ If 3 out of 5 criteria have been fulfilled, Thierry Le Hénaff shall receive 75 % of the sums provided for in the event of early termination of contract.
- ✓ If 2 out of 5 criteria have been fulfilled, Thierry Le Hénaff shall receive 50 % of the sums provided for in the event of early termination of contract.
- ✓ If fewer than 2 criteria have been fulfilled, Thierry Le Hénaff shall receive 0 % of the sums provided for in the event of early termination of contract.

The above commitment shall be put to the vote of the Annual General Meeting on 15th June 2009 under the regulated agreements in application of article L.225-42-1 of the *Code de commerce*, and this amended agreement shall take effect on that date and be the subject of a specific report by the statutory auditors.

It should be noted that in his role as Chairman and Chief Executive Officer, Mr Thierry Le Hénaff has the use of a company car, and benefits from corporate officer unemployment insurance, as well as from a supplementary pension scheme, as offered to certain senior executives of the Group.

For information, all data relating to the compensation of the Chairman and Chief Executive Officer is set out every year in the Board of Directors' report to the Annual General Meeting included in the Reference Document, which can be viewed on the Company's website: www.finance.arkema.com.