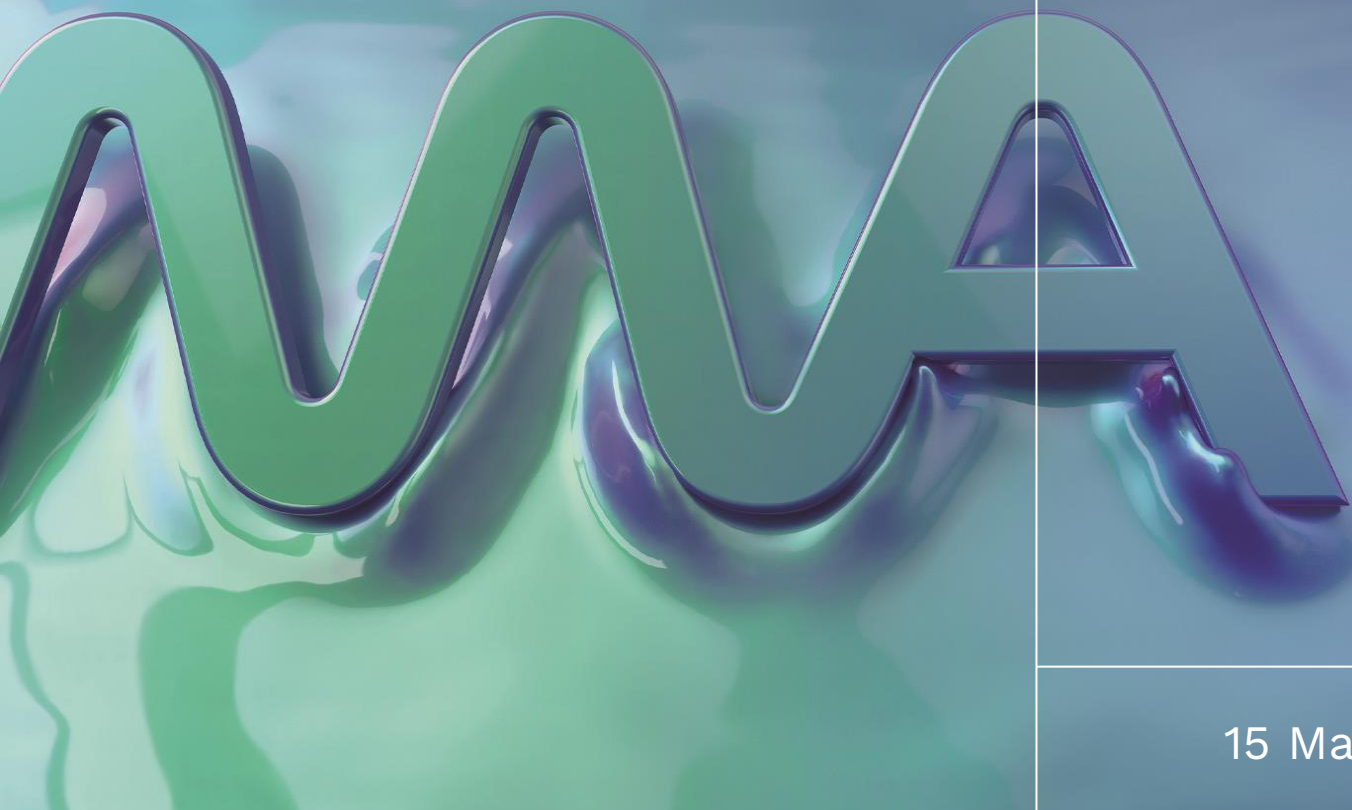


ARKEMA



2024  
**ANNUAL  
GENERAL  
MEETING**

15 May 2024



---

# 2023 Review

2024  
**ANNUAL  
GENERAL  
MEETING**

# Arkema in a nutshell

2023  
review



**€9.5bn**  
sales

**15.8%**  
EBITDA margin

**21,100**  
employees

**55**  
countries

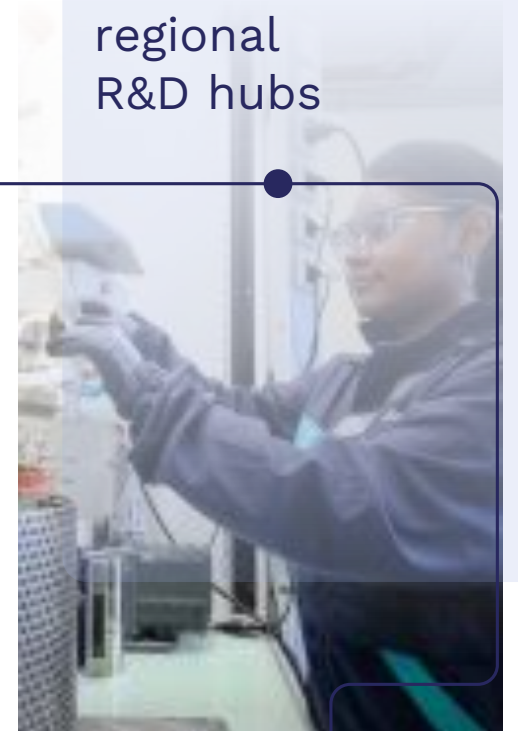


**€634m**  
capital expenditure

**151**  
production sites

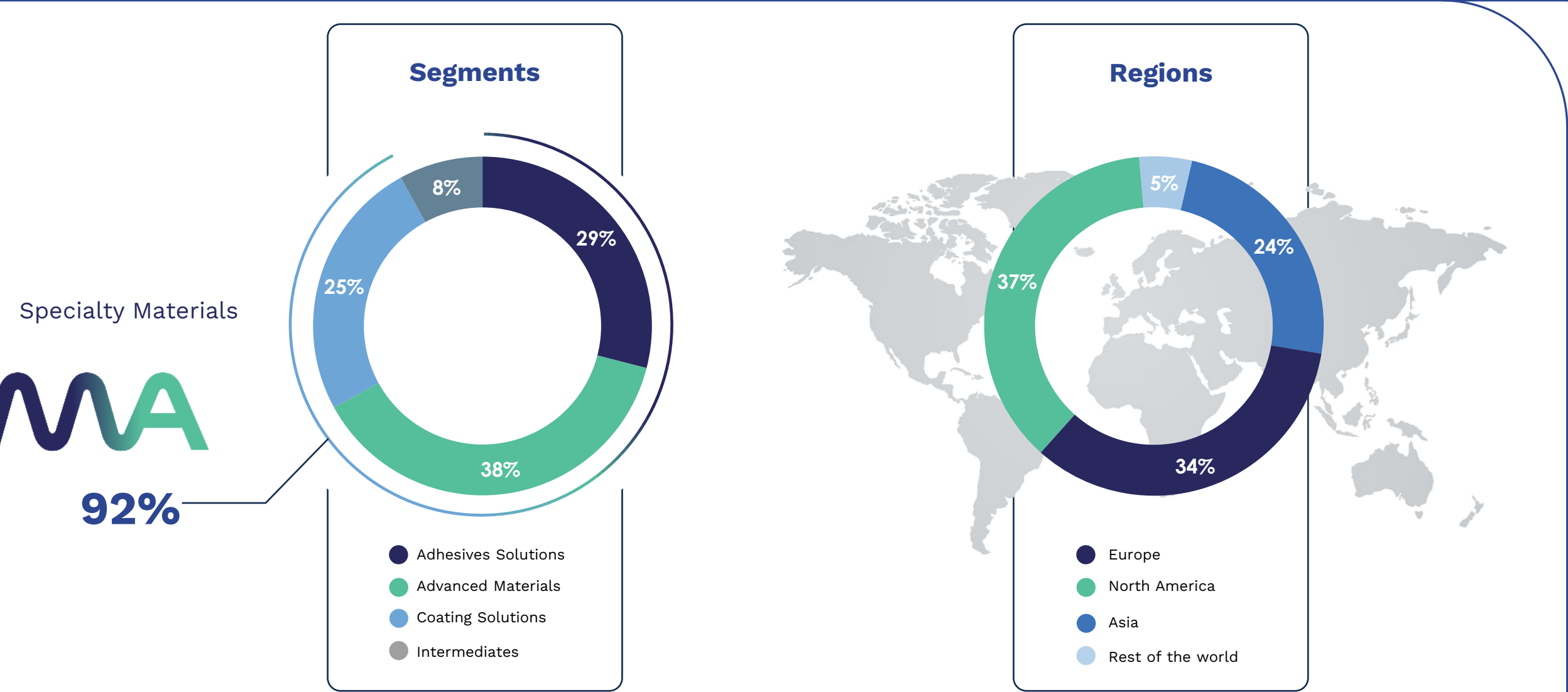
**€275m**  
R&D expenditure

**3**  
regional  
R&D hubs



2023 figures

# An activity structured around 3 specialty segments with a balanced geographical footprint



% of 2023 sales



# Diversified end-markets

2023  
review



**31%**

Building and  
construction



**27%**

General industry



**19%**

Consumer goods  
and electronics



**12%**

Water, health and  
nutrition



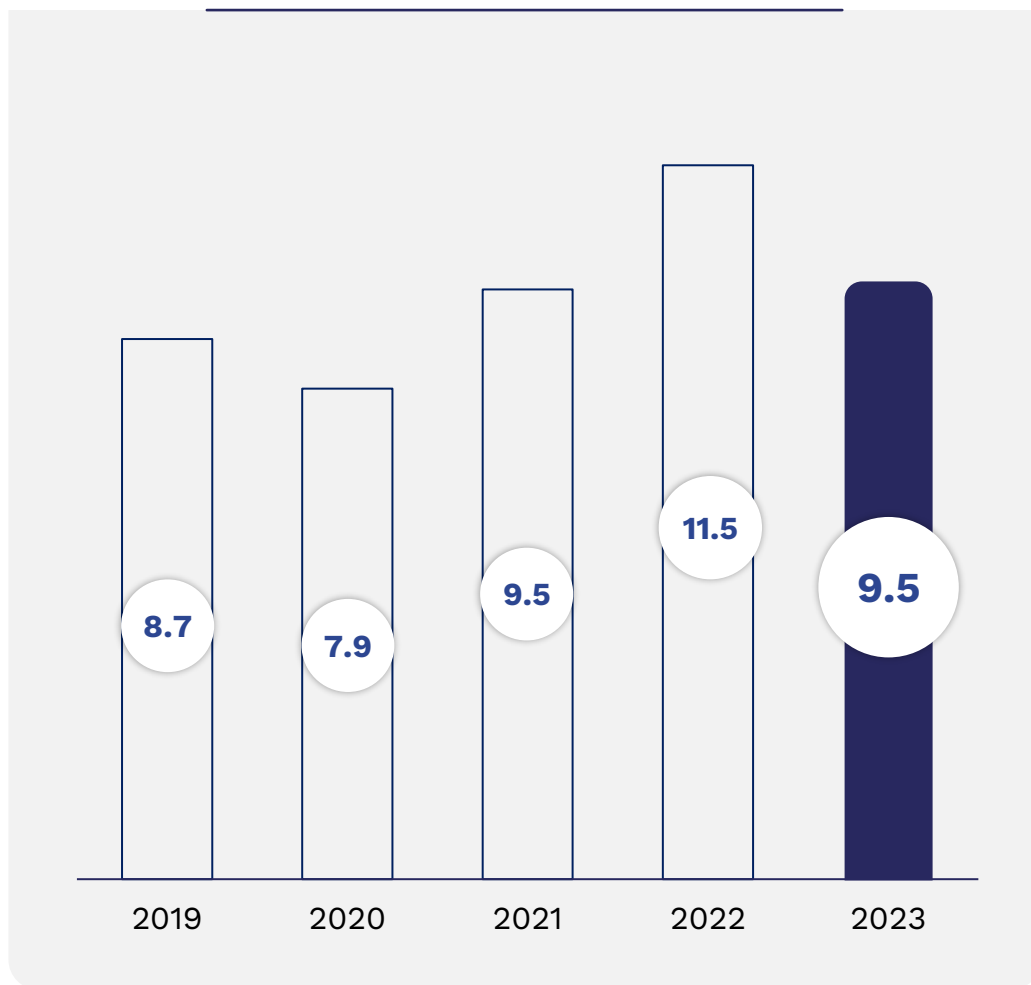
**11%**

Transportation  
and energy

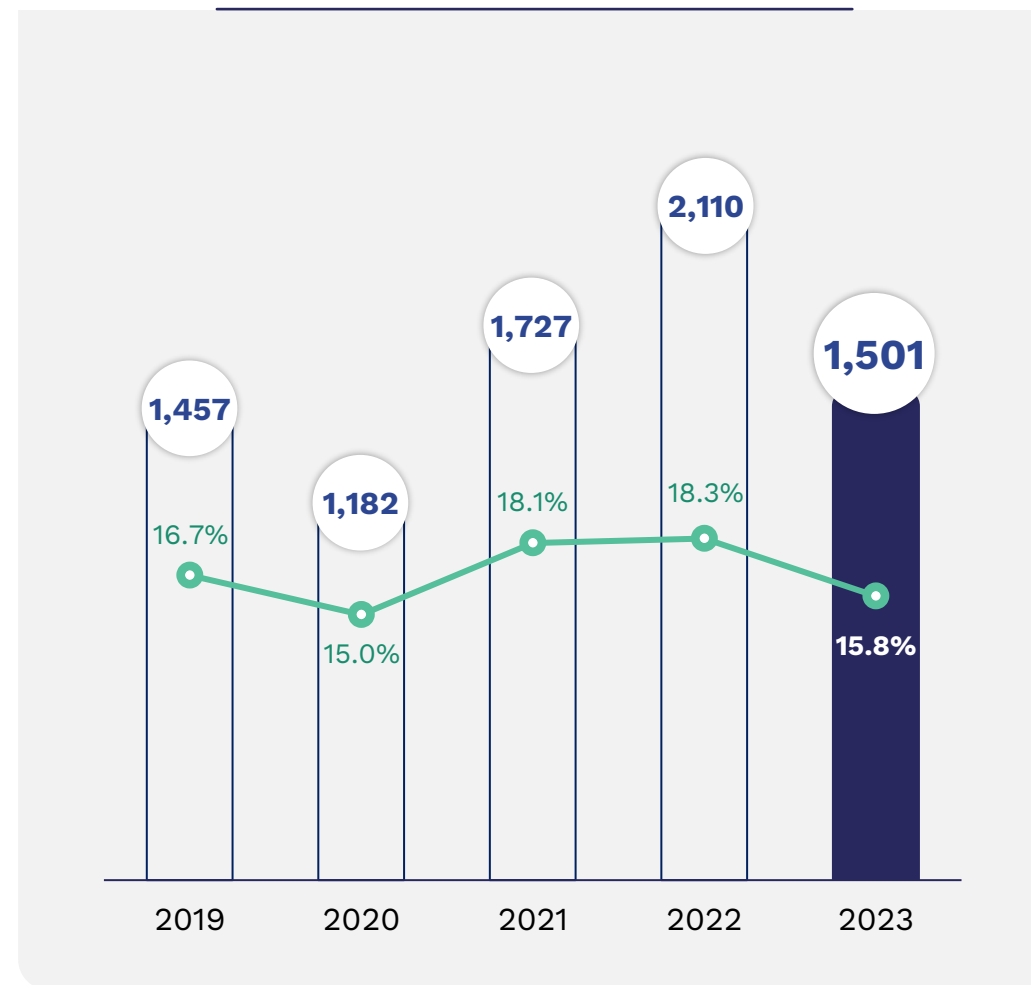
# A solid financial performance in a demanding context

2023  
review

**Sales** (€bn)



**EBITDA** (€m)  
**EBITDA margin** (%)



# CSR achievements recognized by non-financial rating agencies

2023  
review



Improved to **A-**  
for Climate change  
**B** for Water security

IMPROVED  
RATING



Inclusion in the  
**CAC® SBT 1.5°**  
Index created in 2023

Maintained in  
**CAC 40® ESG**

ecovadis  
Among **top 4%**  
of the sector

ISS ESG  
**1st decile** (global)

MSCI  
Rating **A**



# Our employees at the center of our priorities

2023  
review

## Safety at the heart of our actions

**0.9**

Accidents per million  
hours worked (TRIR)

Target **0.8** in 2030

**2.8**

Process safety events per  
million hours worked (PSER)

Target **2.0** in 2030



## Diversity and inclusion values firmly anchored

**29%**

Women in senior management and  
executive positions

Target **30%** in 2030

**40%**

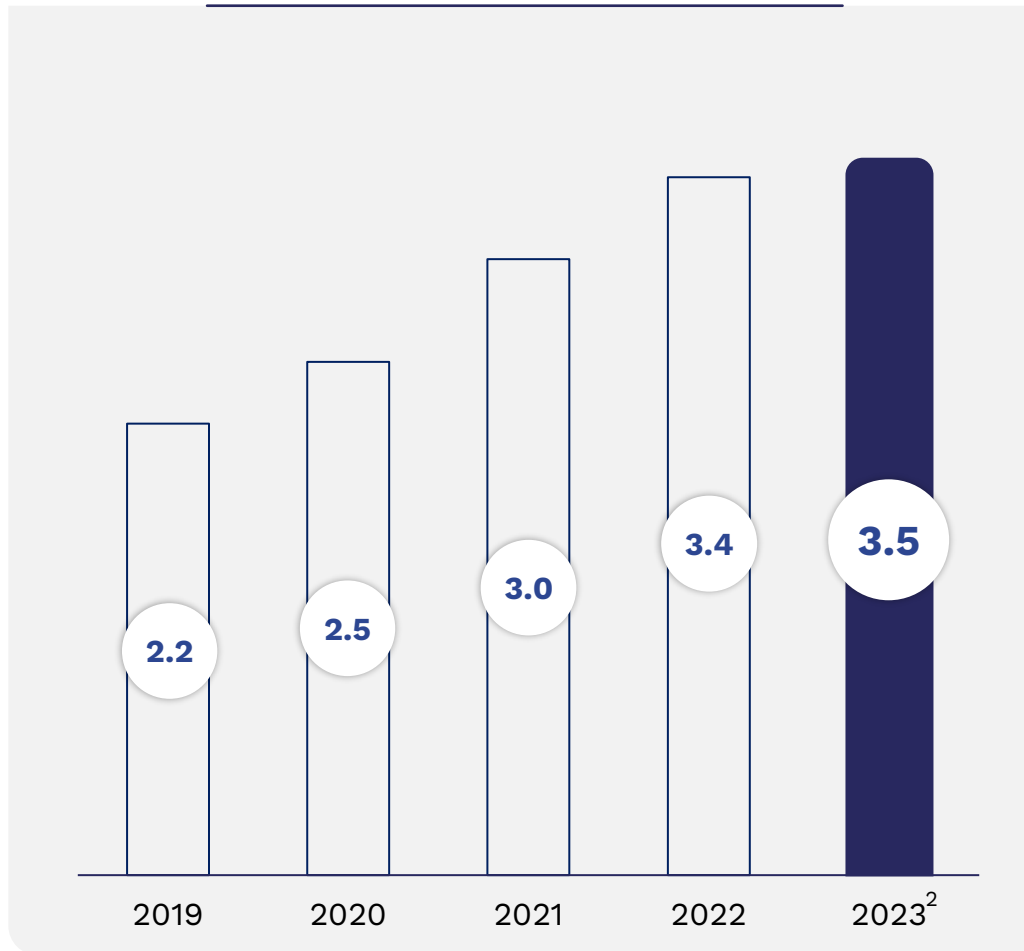
Non-French in senior management and  
executive positions

Target **50%** in 2030



# A steadily growing dividend

**Dividend<sup>1</sup>** (in €/share)



Payout ratio of **40%** for  
fiscal year 2023

**+ 12% on average per year**  
over 2019-23 period

In line with the Group's  
ambition to **progressively**  
**increase the dividend**

1. Dividend allocated for the fiscal year  
2. Proposal submitted to the vote of today's annual general meeting



---

# 2023 highlights

2024  
**ANNUAL  
GENERAL  
MEETING**

# Acquisition of 54% of PI Advanced Materials : a new cutting-edge technology in polymers

2023  
Highlights

## Global leader in polyimide films

- Attractive markets of **consumer electronics** and **electric vehicles**
- 320** employees
- 2** production sites and **2** R&D centres in South Korea

€728m enterprise value for  
the **54% stake**

## Ultra-high performance polymers with outstanding properties



Withstanding **extreme temperatures** (400°C)



Exceptional **flexibility** and  
**dimensional stability**



**Superior electrical insulation** in  
high voltage environments

# Strengthening of Adhesive Solutions with two bolt-on acquisitions

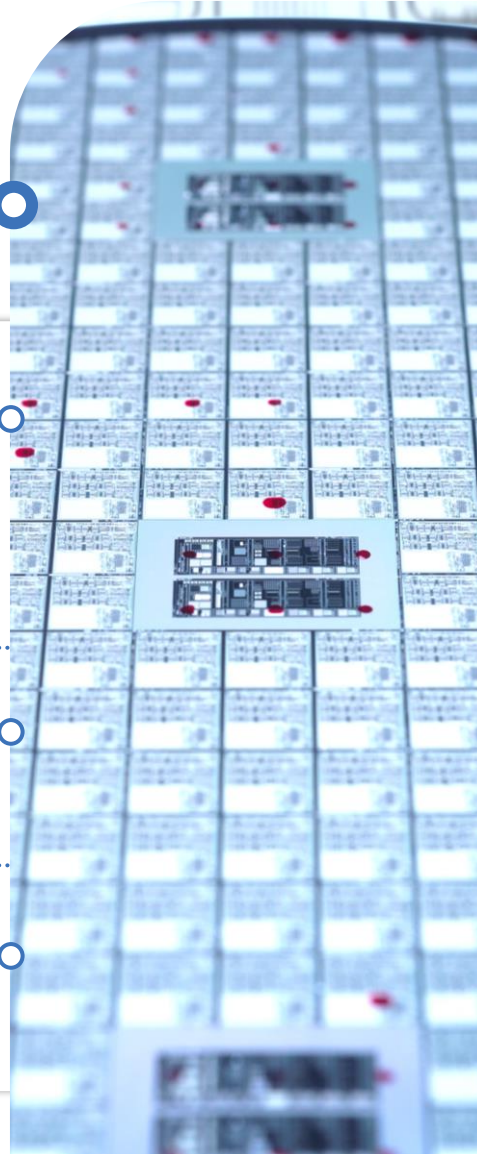
2023  
Highlights

## Polytec PT (Germany)

○ **Thermal interface materials** for batteries and **engineering adhesives** for electronics

○ **High value-added** technology

○ €15m annual sales



## ○ Arc Building Products (Ireland)

○ **Tile adhesives** and **floor preparation** systems

○ Key Irish manufacturer, notably in **powder adhesives**

○ €15m annual sales





# Important progress in the batteries of today and tomorrow

2023  
Highlights

## Stake acquisition



Pioneering start-up  
in new generation  
sodium-ion batteries

## Acquisition of 78% in Proionic<sup>1</sup>



Leading start-up  
in the field of ionic liquids  
for solid batteries

## Launch of the INCELLION™ range

Expansion of the range of  
solutions for current and  
new generation batteries

Acrylic solutions with low VOC  
emissions to complement PVDF  
Kynar® separators

1. Agreement signed on 17 April 2024 for the acquisition of a 78% stake in Proionic

# Progress in bio-based and recyclable materials

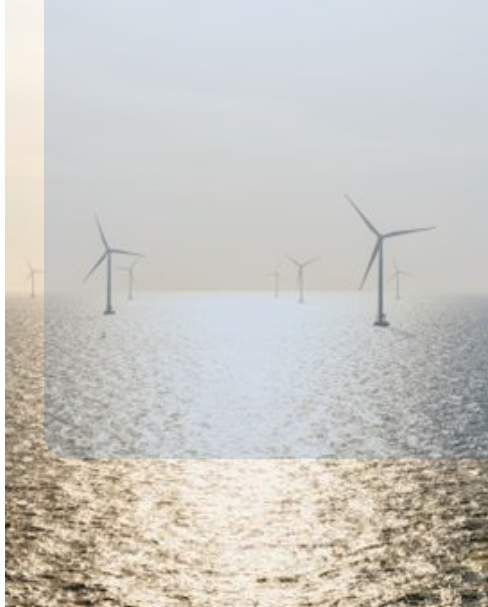


## Bio-based adhesives

New range of pressure sensitive adhesives containing up to **90%** of bio-based material

## Recycled Elium®

Use of **recycled Elium®** for the production of a 2<sup>nd</sup> wind turbine blade by the ZEBRA consortium



## 2023 ICIS prize

“Best innovation from a large company” for the **entirely recyclable shoe** in partnership with ON

## Solar Impulse Efficient Solution label

Awarded to the **PA11** range, which joins the #1000solutions portfolio of the Solar Impulse foundation, aimed at promoting sustainable solutions



## Complete solutions for 3D printing

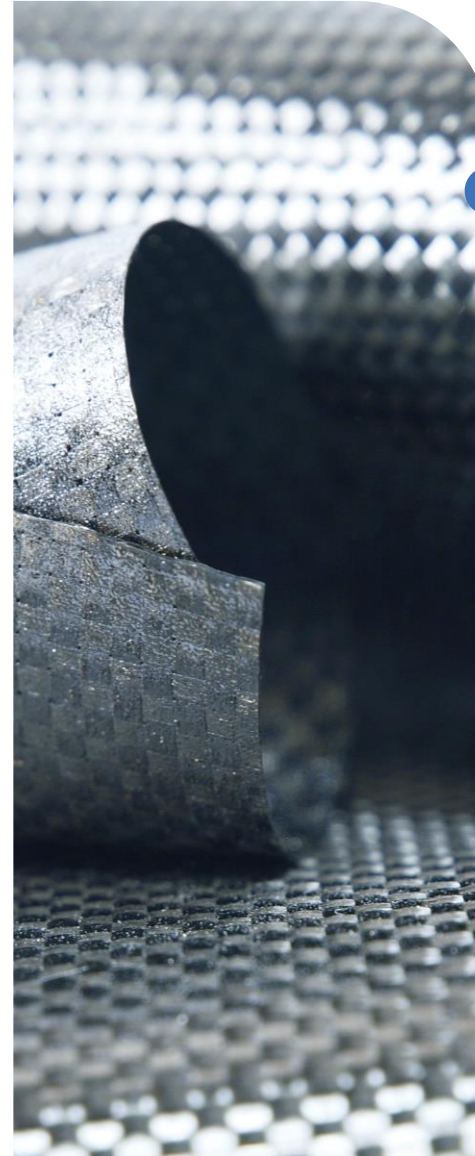
Launch of **Easy3D**, an online on-demand additive manufacturing platform :

- Selection of the ideal material
  - Ordering of parts online from Arkema suppliers
- 
- **Partnership with HP** for the development of powders for 3D printing (PA11, PA12)
  - HP's *Multi Jet Fusion* technology, the market's most competitive 3D printing solution



## Partnership with Hexcel in aeronautics

- Manufacture of a first aeronautical structure in thermoplastic composite
- 
- Materials developed using PEKK Kepstan® resin





# A strong civic engagement

7<sup>th</sup> year of the Pragati program for **sustainable** castor **farming** in India



Arkema, **patron** of the ***Théâtre des Champs-Élysées***, brings thousands of children to the opera



Partnership with Habitat for Humanity in Philadelphia, for decent homes for **people from disadvantaged backgrounds**



Strengthening of the commitment for the Cgénial foundation, for the **promotion of science** among middle and high school students







# **2023 financial performance**

**2024  
ANNUAL  
GENERAL  
MEETING**

# 2023 key figures

2023  
financial  
performance

Sales  
**€9,514m**  
- 17.7% vs 2022

EBITDA  
**€1,501m**  
15.8% EBITDA margin

Adjusted net income  
**€653m**  
€8.75 per share

Net debt<sup>1</sup>  
**€2,930m**  
1.95x 2023 EBITDA

1. Including hybrid bonds

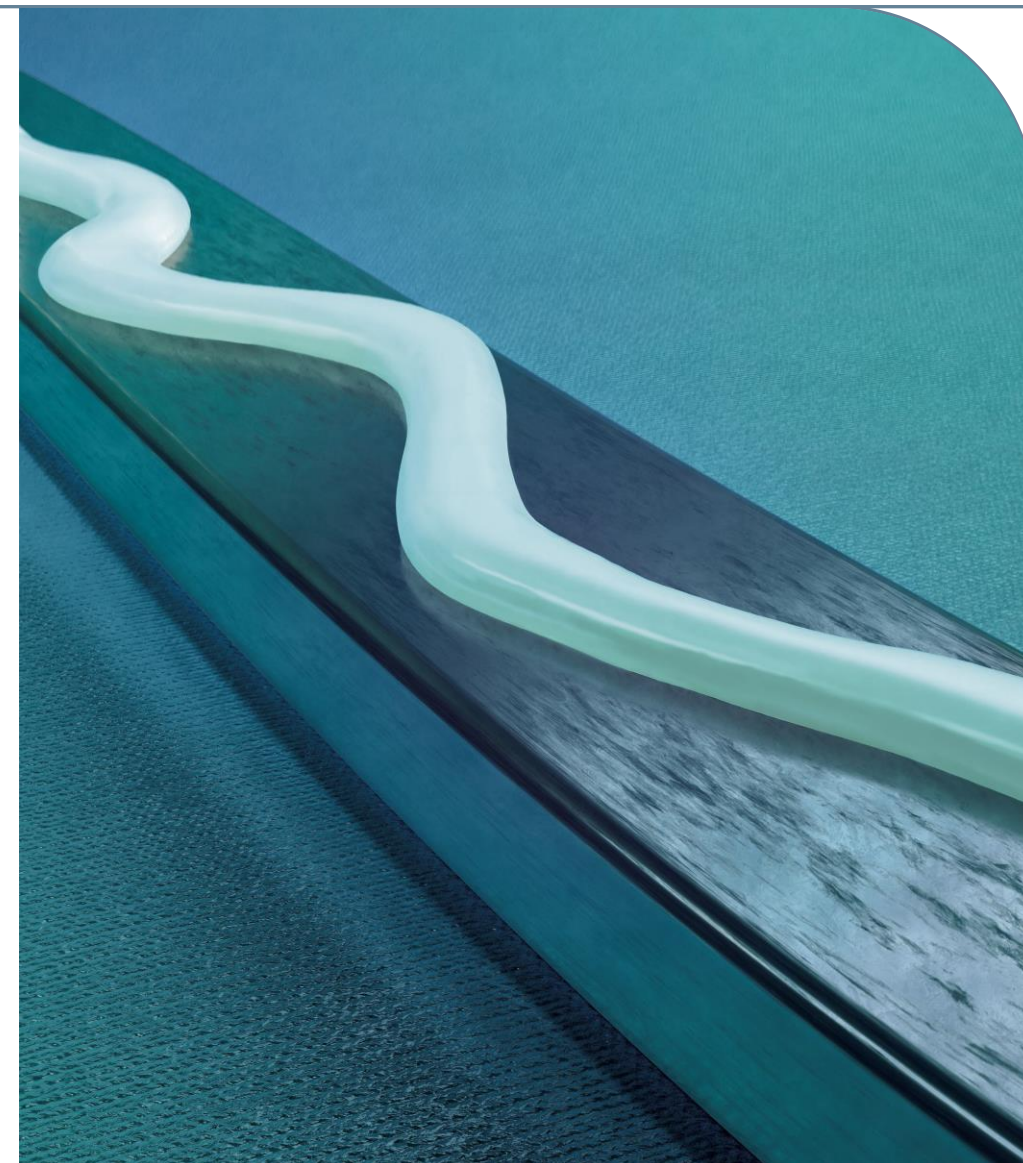


# Adhesive Solutions (29% of Group sales)

2023  
financial  
performance

| in €m         | 2023         | 2022  | Change |
|---------------|--------------|-------|--------|
| Sales         | <b>2,714</b> | 2,898 | - 6.3% |
| EBITDA        | <b>380</b>   | 366   | + 3.8% |
| EBITDA margin | <b>14.0%</b> | 12.6% |        |

- Environment of weak underlying demand, amplified by destocking which subsided in the 2<sup>nd</sup> half
- Dynamic selling price management in an evolving raw materials environment
- Benefit of the progressive integration of Ashland's adhesives
- Marked EBITDA growth in the 2<sup>nd</sup> half and significant increase in the EBITDA margin reaching 14% in the year



# Advanced Materials (38% of Group sales)

| in €m         | 2023  | 2022  | Change  |
|---------------|-------|-------|---------|
| Sales         | 3,562 | 4,341 | - 17.9% |
| EBITDA        | 666   | 941   | - 29.2% |
| EBITDA margin | 18.7% | 21.7% |         |

- Overall lower demand and destocking, with business areas linked to new energies and bio-based and recycled solutions resisting better
- PVDF impacted by the normalization of prices in batteries in China
- EBITDA lower relative to the particularly high comparison base of the prior year but resilient EBITDA margin, supported by the progress of Performance Additives



# Coating Solutions (25% of Group sales)

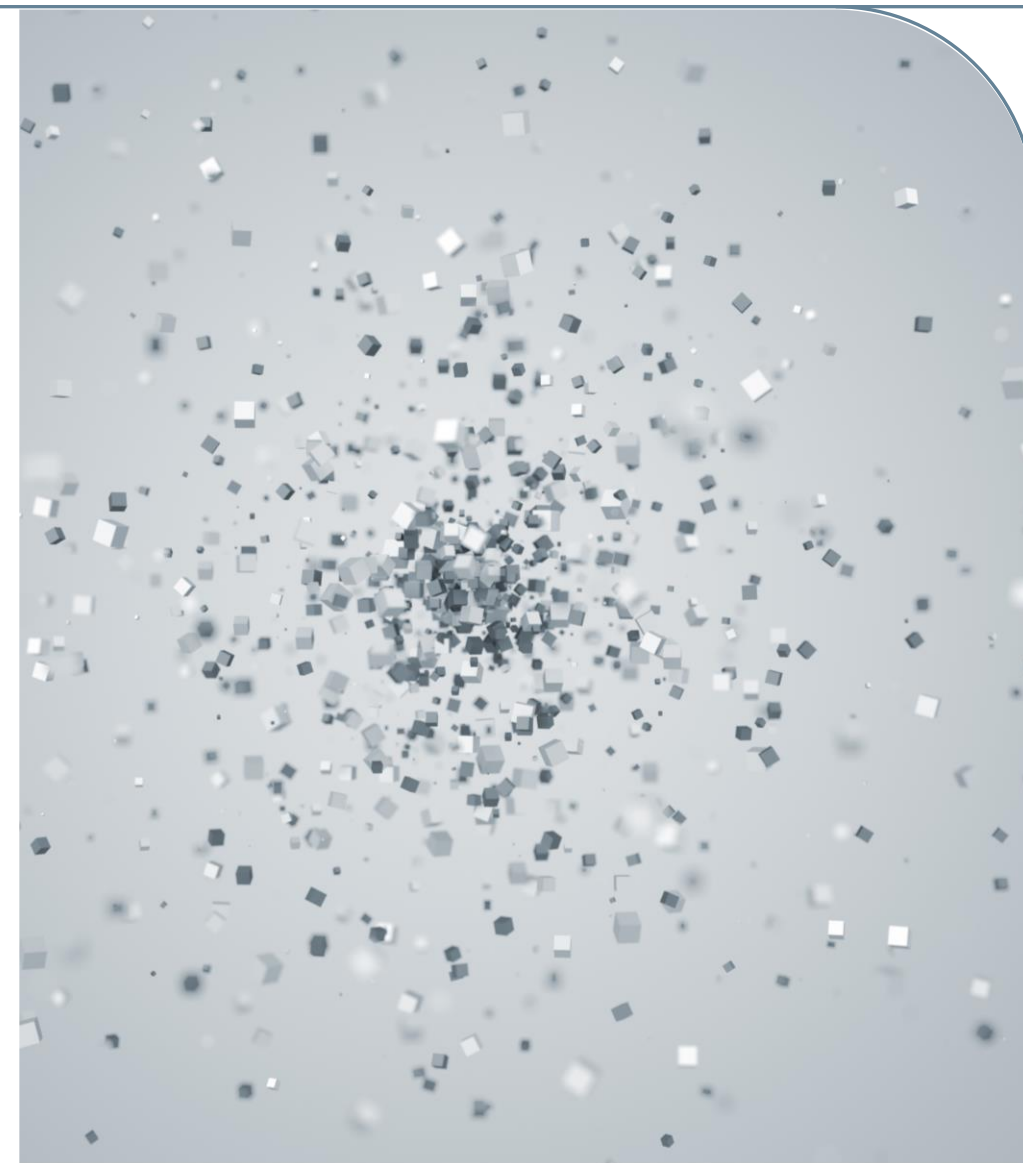
| in €m         | 2023  | 2022  | Change  |
|---------------|-------|-------|---------|
| Sales         | 2,402 | 3,250 | - 26.1% |
| EBITDA        | 327   | 593   | - 44.9% |
| EBITDA margin | 13.6% | 18.2% |         |

- Progressive normalization of market conditions in upstream acrylics after an exceptional 2022
- Weak demand and destocking in decorative paints and industrial markets
- EBITDA lower overall, and EBITDA margin at 13.6%, supported notably by an improving downstream product mix and dynamic price management

# Intermediates (8% of Group sales)

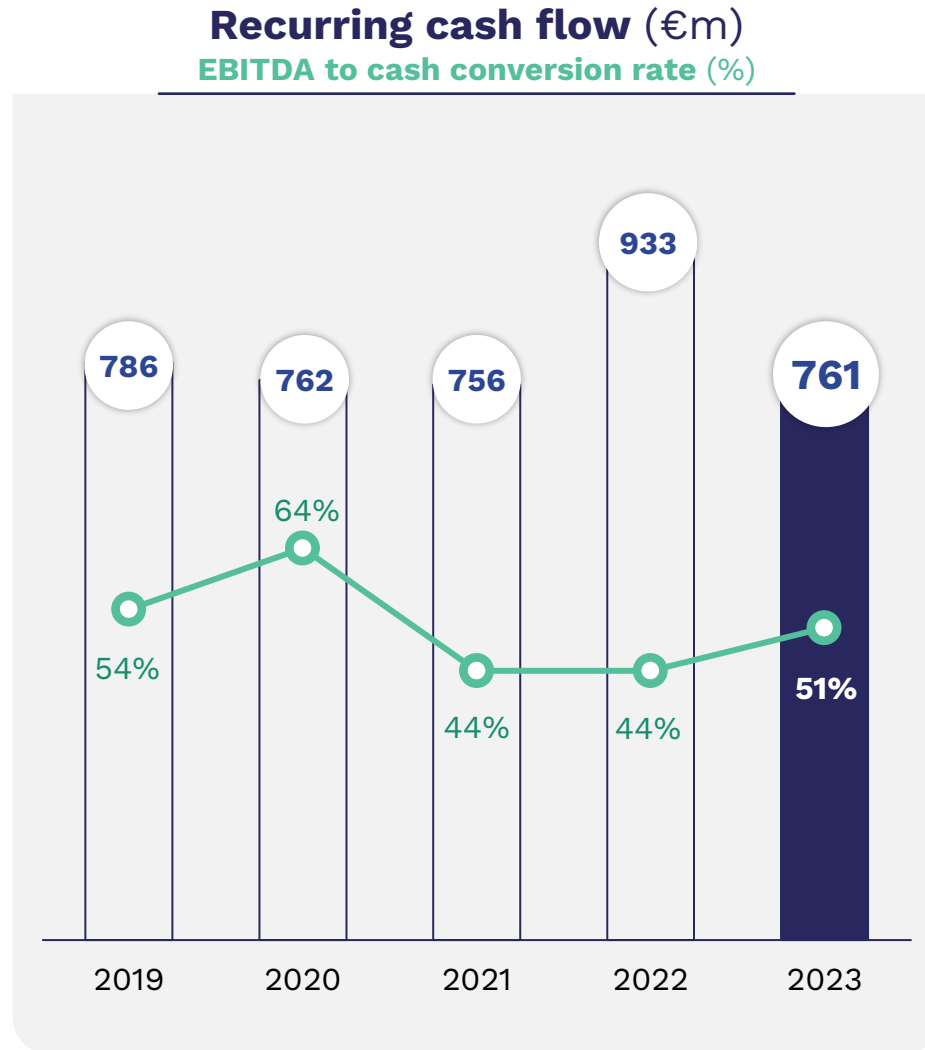
| in €m         | 2023  | 2022  | Change  |
|---------------|-------|-------|---------|
| Sales         | 797   | 1 020 | - 21.9% |
| EBITDA        | 213   | 306   | - 30.4% |
| EBITDA margin | 26.7% | 30.0% |         |

- Good performance from refrigerant gases in Europe and the United States
- Much less favorable market conditions than in 2022 in acrylics in Asia
- EBITDA margin remains at a very good level at 26.7%



# Excellent cash generation

2023  
financial  
performance

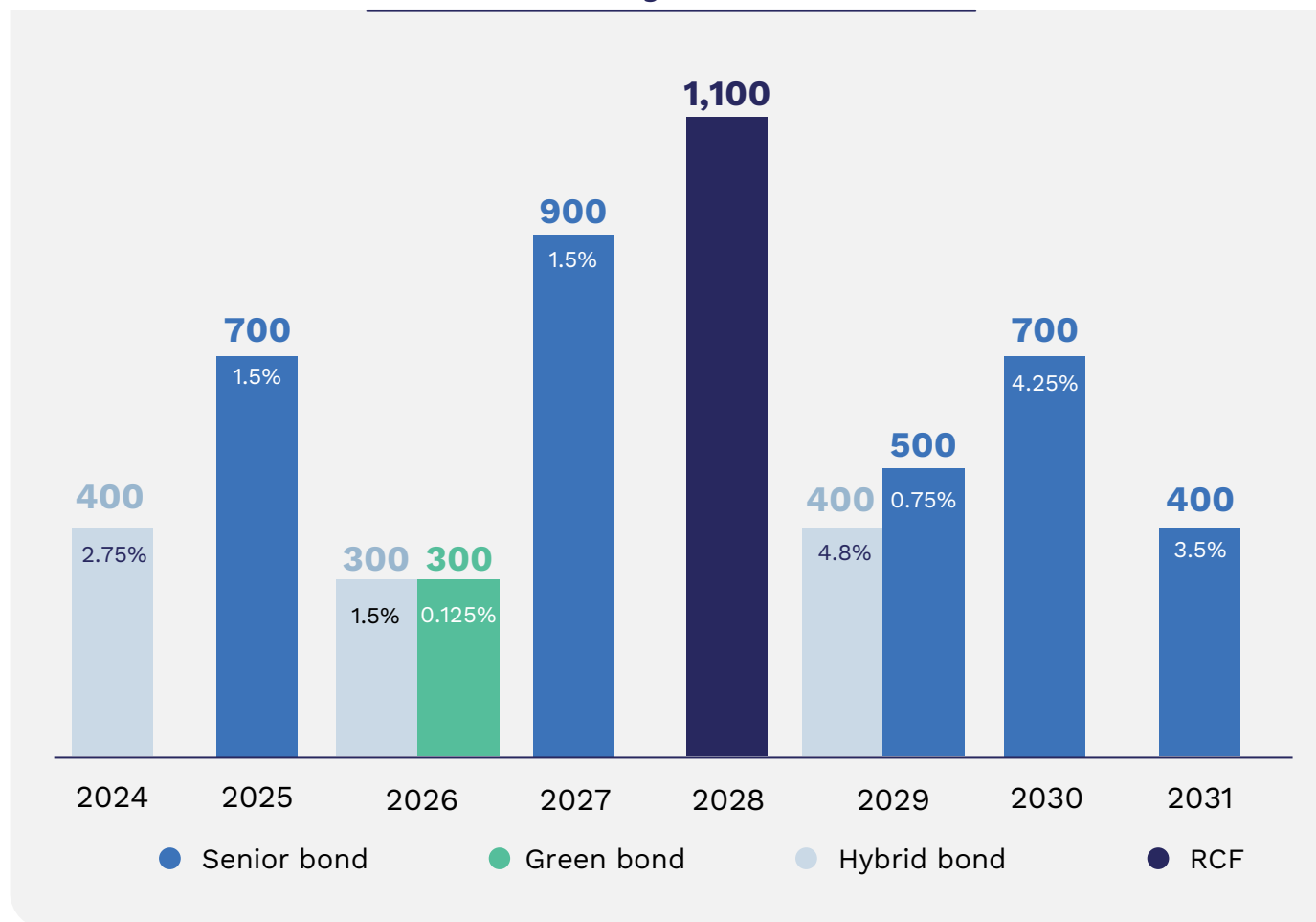


- **EBITDA to cash conversion rate**  
**50.7%**  
above the target of 40%
- **Strict working capital management**  
**13.1%** of sales at end December 2023  
(excluding PIAM)
- **Capital expenditure under control**  
**€634m**



# Debt successfully refinanced in 2023 and early 2024

**Debt maturity schedule (€m)**



- **Refinancing** of the **€1,100m** senior bond in 2023 and of the **€400m** hybrid bond in March 2024
- **Average maturity** (excluding hybrids) **4 years** (at end-Q1 2024)
- **RCF**  
**3 CSR criteria** taken into account in the Group's objectives
- **Solid financial rating**  
**Baa1** stable outlook (Moody's)  
**BBB+** positive outlook (S&P)



# Key 1<sup>st</sup> quarter figures and 2024 outlook

2023  
financial  
performance

Sales

**€2,341m**

- 7.3% vs Q1 2023

EBITDA

**€350m**

15.0% EBITDA margin

Adjusted net income

**€138m**

€1.84 per share

Net debt<sup>1</sup>

**€3,063m**

~2x last-twelve-month  
EBITDA

## 2024 OUTLOOK

- The macroeconomic context remains marked by a lack of visibility without clear signs of a rebound in demand
- Second-quarter 2024 EBITDA is expected to be slightly higher relative to Q2'2023
- In 2024, the Group will benefit in particular from its innovation dynamic, from the contribution of its major industrial projects estimated at around €60 million to €70 million in EBITDA and from the integration of PIAM
- Arkema aims to achieve in 2024 a higher EBITDA, estimated at €1.5 billion to €1.7 billion depending on the level of recovery in demand, and with seasonality more weighted to the second half of the year

1. Including hybrid bonds

- **Approval of the Company's and consolidated financial statements for 2023** (1<sup>st</sup> and 2<sup>nd</sup> resolutions)
- **Renewal of the share buyback authorization : 2024 program** (13<sup>th</sup> resolution)
  - Ceiling : **10%** of the Company's share capital for a maximum purchase price set at €140 per share
  - Duration : **18 months**
- **Renewal of the delegations of authority to the Board to carry out a capital increase**
  - **With preferential subscription rights** (14<sup>th</sup> resolution)  
Ceiling : **50%** of the Company's share capital
  - **Without preferential subscription rights with priority period** (15<sup>th</sup> resolution)  
Ceiling : **10%** du capital de la Société
  - **Without preferential subscription rights by means of private placement or contribution in kind** (16<sup>th</sup> and 18<sup>th</sup> resolutions)  
Ceiling : **10%** of the Company's share capital
- **Global ceilings : 50% of the Company's share capital and 10% of the Company's share capital for capital increases without PSR** (20<sup>th</sup> resolution)
  - Duration : **26 months**
  - Cannot be used during a takeover bid for the Company's shares

- **Renewal of the delegation of authority to the Board to carry out capital increases reserved for members of a company savings plan without PSR** (21<sup>th</sup> resolution)
  - Ceiling : **€13,500,000** (i.e. less than 2% of the Company's share capital on the date of the general meeting)
  - Issue price of the shares : average price of the Arkema share in the Euronext Paris market during the twenty (20) trading days preceding the day of the decision setting the opening date of the subscription, minus a discount
  - Duration : **26 months**
  
- **Appointment de KPMG Audit as statutory auditor responsible for certifying sustainability disclosures** (11<sup>th</sup> resolution)
  - Term of office expiring at the close of the annual general meeting to be called in 2026 to approve the financial statements for the year ending 31 December 2025
  
- **Appointment of Mazars & Associés as statutory auditor responsible for certifying sustainability disclosures** (12<sup>th</sup> resolution)
  - Term of office expiring at the close of the annual general meeting to be called in 2027 to approve the financial statements for the year ending 31 December 2026





---

# Strategy and ambition

2024  
**ANNUAL  
GENERAL  
MEETING**

Our vision is shaped by the accelerating demand  
for high-performance materials

Strategy and  
ambition



A **SIGNATURE**

FOR A **VISION**

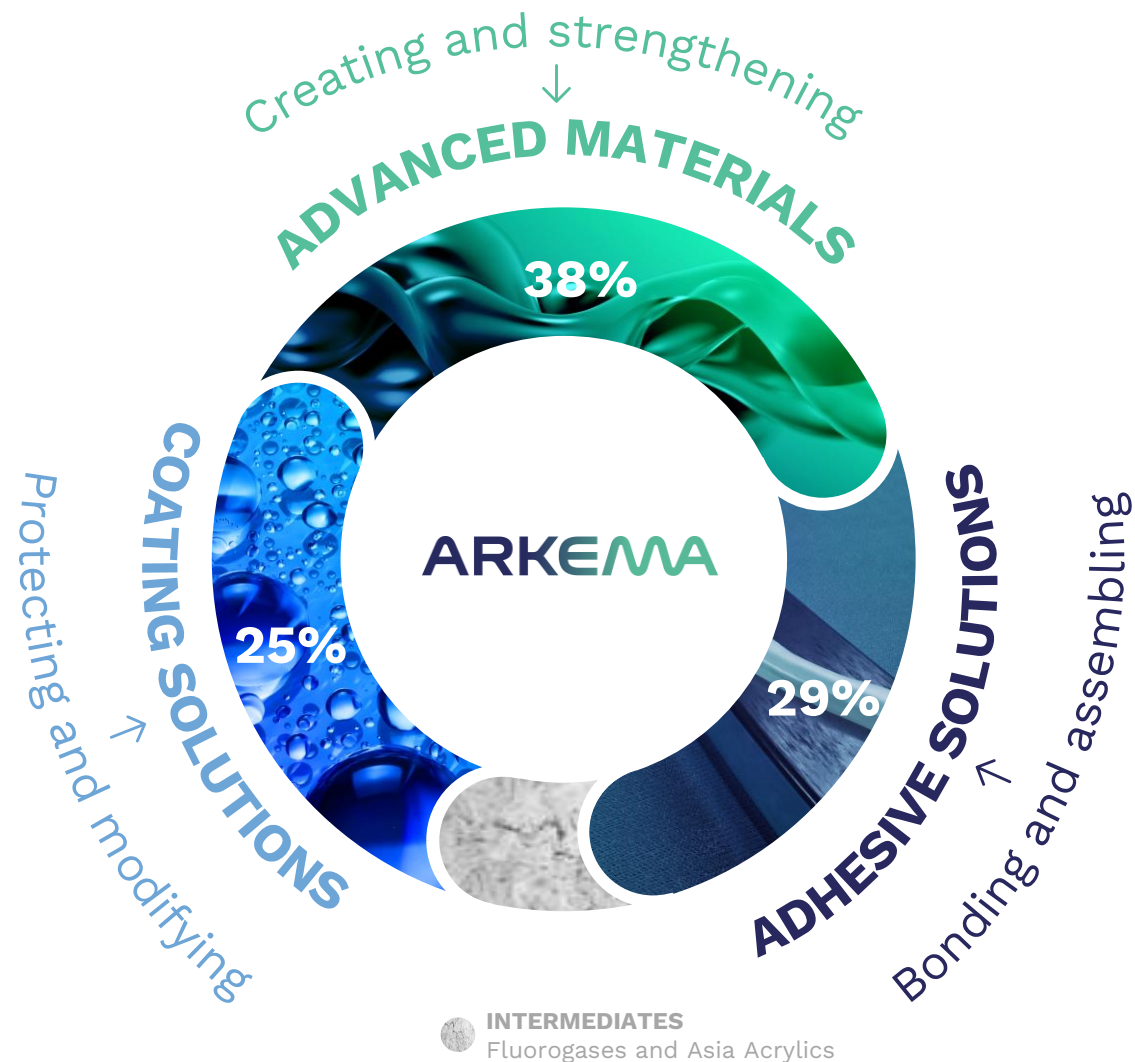
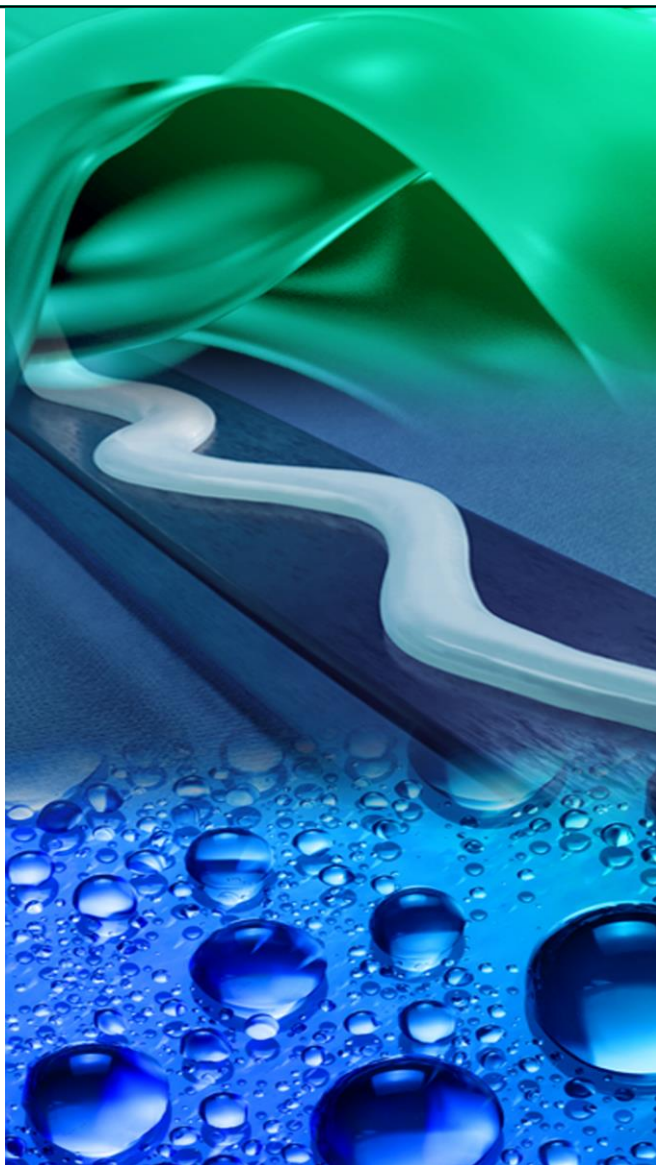
## INNOVATIVE **MATERIALS** FOR A SUSTAINABLE WORLD

---

“Be the Specialty Materials leader,  
**offering the most innovative and  
sustainable solutions** to address our  
customers’ current and future challenges”

# These capabilities define our 3 Specialty Materials segments

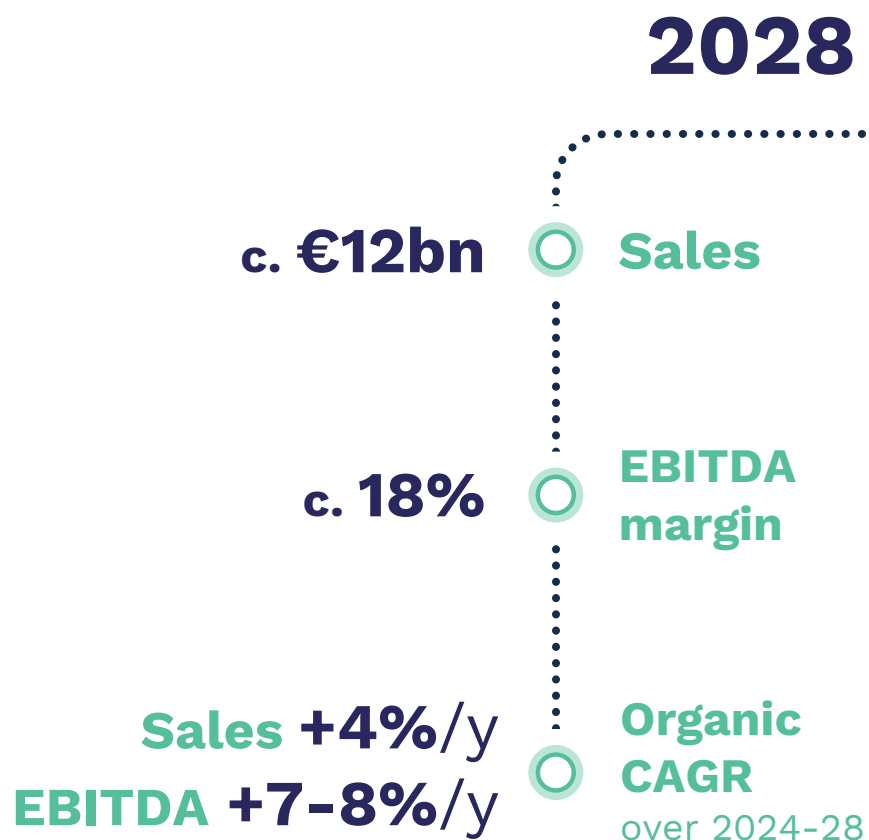
Strategy and  
ambition



2023 figures



# Our strategy underpins ambitious financial objectives

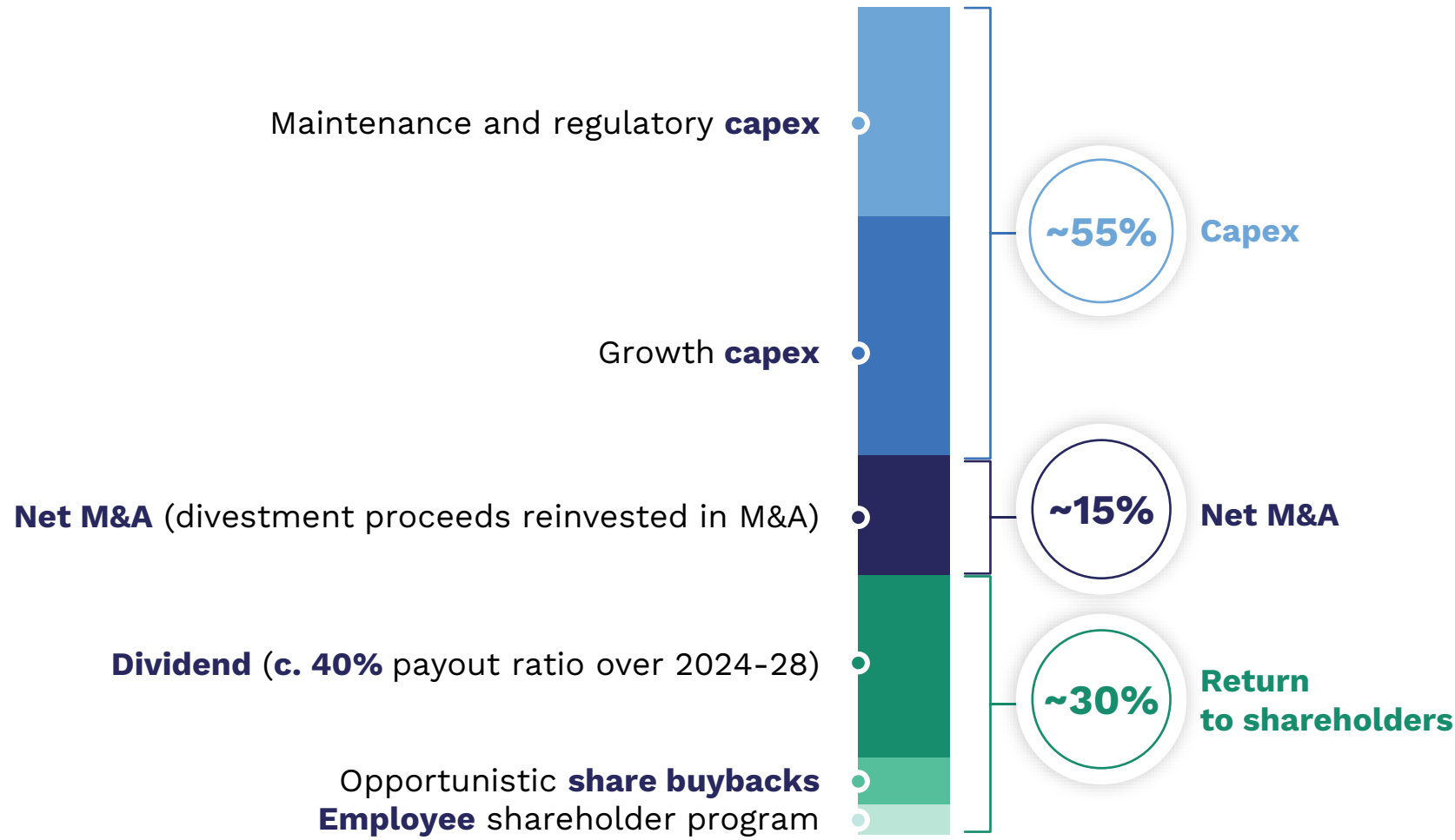


Forecasts defined in normalized macroeconomic and market conditions

- Strict financial discipline
- + Net debt to EBITDA **≤2**  
Solid investment grade rating
- + Operating cash conversion rate<sup>1</sup> **~70%**
- + ROCE **~10%**

1. Free cash flow before capex (intangible assets and property, plant and equipment additions) divided by EBITDA

# Capital allocation will be value driven and attractive for our shareholders



Forecasts defined in normalized macroeconomic and market conditions

# We identified 5 key submarkets with superior growth driven by sustainable megatrends

Strategy and  
ambition

## Our end-markets

### Selected submarkets with outstanding growth

Transportation and energy



**Green energy and electric mobility**

Consumer goods and  
electronics



**Advanced electronics**

**Sustainable lifestyle**

Building and construction



**Efficient buildings and homes**

Water, health and nutrition



**Water filtration, medical  
devices and crop nutrition**

+ 8%/y

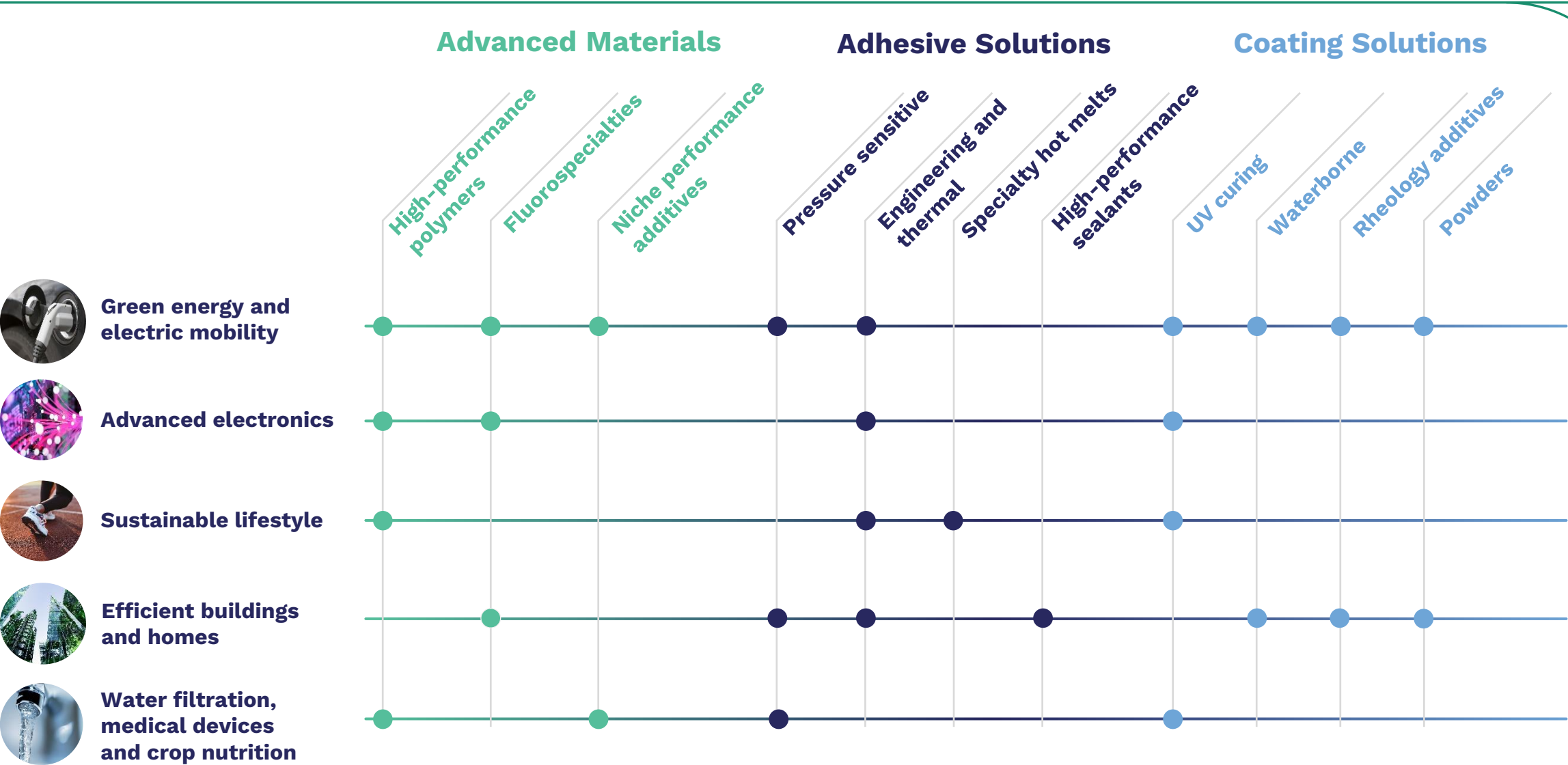
+ 12%/y

+ 16%/y

Arkema planned CAGR over 2024-28

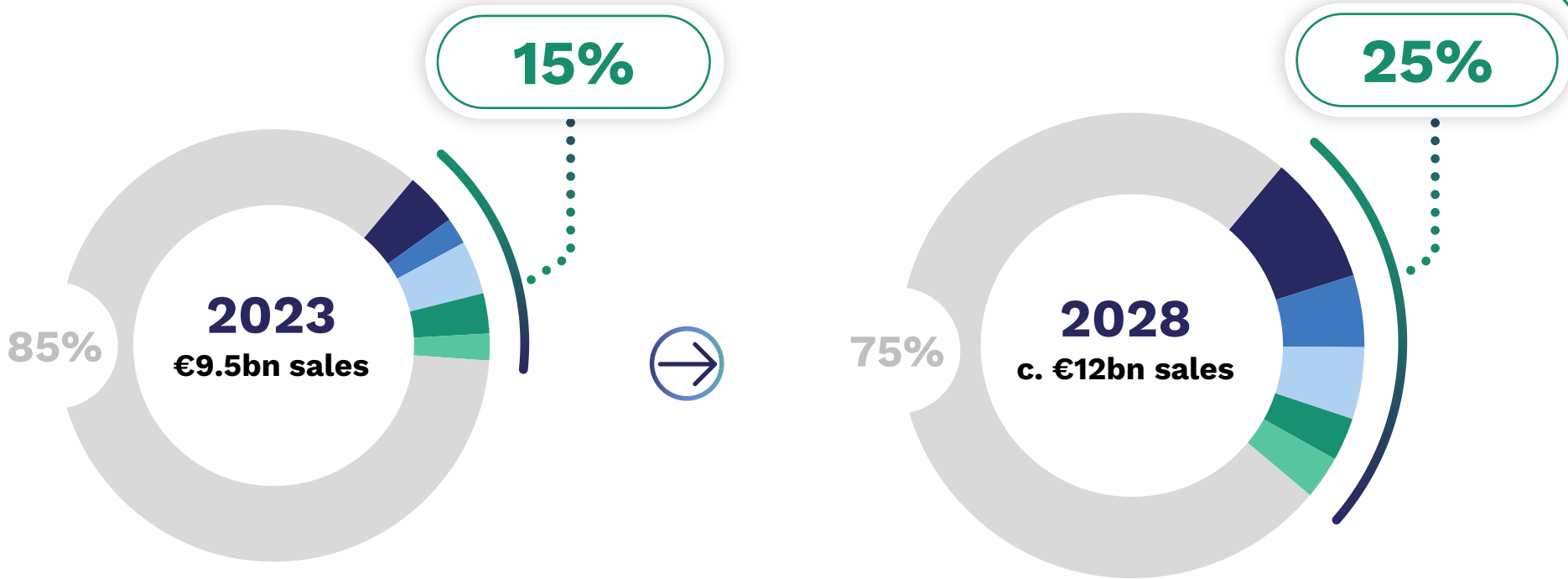


# With these differentiated technologies, we are uniquely positioned to serve the key identified submarkets



This combination of technologies x submarkets will accelerate our growth

Strategy and ambition



3x higher organic sales CAGR than Group's average  
Over 50% of Arkema R&D spendings

- Green energy & electric mobility
- Advanced electronics
- Efficient buildings and homes
- Sustainable lifestyle
- Water filtration, medical devices & crop nutrition

Forecasts defined in normalized macroeconomic and market conditions

# Recent capex supporting Arkema's ambition

Strategy and  
ambition

## PVDF

**Expansions**  
(China, France)

*Batteries, semicon*

## UV curing resins

**Doubling capacity**  
(China)

*New energies,  
electronics, 3D printing*

## Bio-based PA11

**New units**  
(Singapore, China)

*Consumer goods,  
sustainable lifestyle,  
mobility*

## Pebax®

**Expansion**  
(France)

*Consumer goods,  
sustainable lifestyle*

## Fluorospecialties

**HF** with Nutrien (US)

**HFO 1233zd** (US)

*Energy efficiency,  
batteries*



Startup

2023

2024

EBITDA contribution in 2028

**c. €250m** vs 2023



# Acquisition<sup>1</sup> of Dow's flexible packaging laminating adhesives: a high-quality business strengthening our existing position

Strategy and  
ambition

One of the **global leaders** for  
adhesives in flexible packaging

Annual sales  
around **US\$ 250m**

**High-quality** solutions with  
**well recognized brands**

**5** state-of-the-art  
production sites

## • A unique opportunity

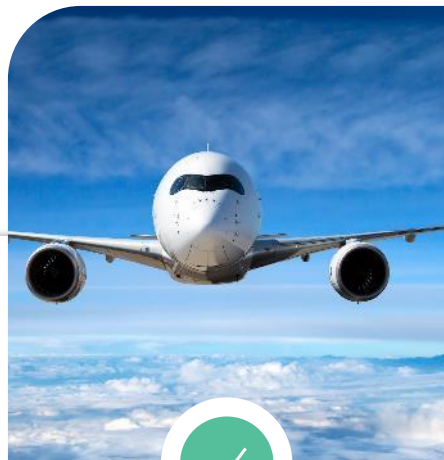
- Become a **leader** in the flexible  
**packaging market**
- Become a technological and  
commercial **partner of choice**

Enterprise value  
**US\$ 150m**

Synergies in EBITDA  
after 5 years  
**US\$ 30m**

1. Proposed acquisition announced on 2 May 2024, subject to the approval of certain antitrust authorities

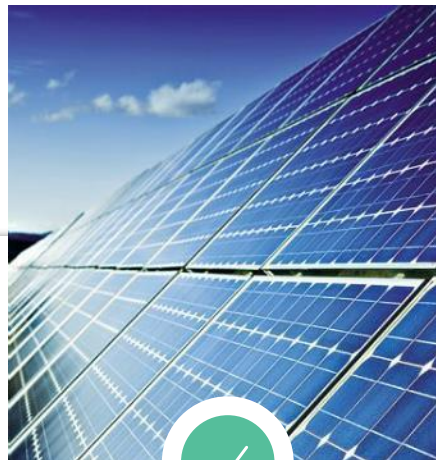
# New attractive capex initiatives will be implemented



Additive for **biofuels**  
in Beaumont  
(United States)



**Decarbonization**  
of acrylics  
production in  
Carling (France)



Niche additive for **renewable energy**  
in Changshu (China)



Solutions  
for **batteries**  
with a focus  
on the United  
States



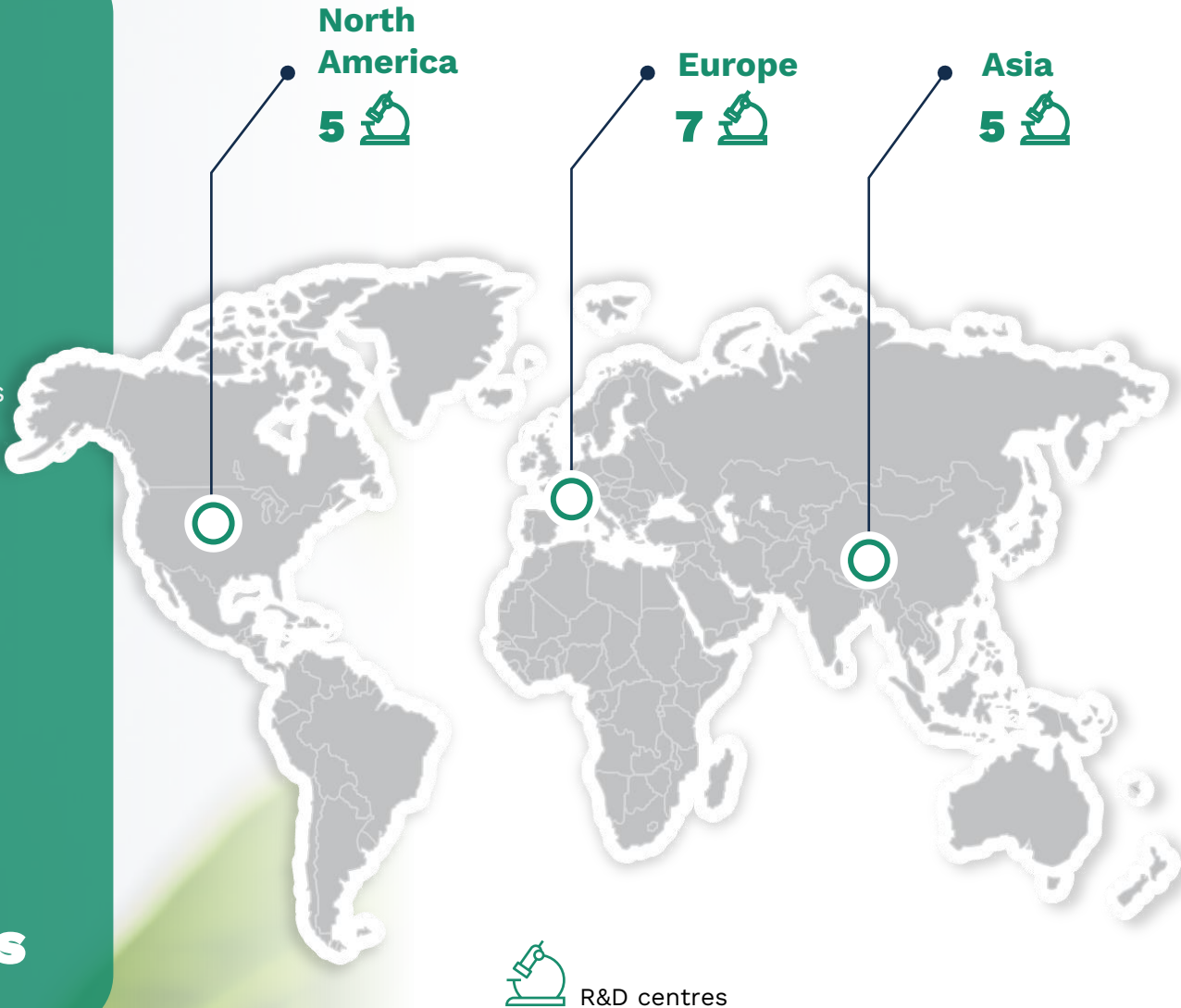
**Bio-based**  
PA11 value chain

# Sustainable innovations for a changing world

**1,800**  
researchers spread  
across three hubs

**216**  
new patent applications  
filed in 2023 of which  
**> 90 %**  
relating to sustainable  
development

R&D addressing the  
**demanding  
needs**  
of our customers in  
**key markets**



**Group programs on transversal themes**, which contribute to the decarbonization of our value chain



Lightweight materials and design



Bio-based or bio-synthesized materials



Circular economy



More efficient and virtuous processes



# Batteries as the bedrock of green mobility

Strategy and  
ambition

## Greater energy density •

Allows for faster charging batteries, increased durability and energy density

**INCELLION™**

**KYNAR®**

New grades for almost all-solid-state batteries

## More sustainable •

Removable adhesives to allow repair and disassembly



**ALBONE®**

Ease of use and lower effluent production for ore extraction

## Batteries

## • Safer



Electrical and thermal insulation of cells

Ionic liquid combining conductivity and non-flammability

**proionic** <sup>1</sup>



Materials for good heat dissipation through interfaces

1. Agreement signed on 17 April 2024 for the acquisition of a stake of 78%

# Vehicles that evolve and require new materials



## Increase the range and charging speed of hydrogen vehicles

- **Elium®** resin, combined with carbon fiber, for high-performance, lightweight and recyclable high-pressure H<sub>2</sub> tanks
- **Rilsan® polyamide 11**, very slightly permeable to hydrogen, for efficient tank liners
- **Piezotech®** electroactive polymer, for continuous sensors of the state of H<sub>2</sub> tanks



## Light urban vehicles whose assembly is evolving towards robotic bonding

- **ISR Bostik** range
  - Suitable for automated application
  - Ensures both bonding and sealing
  - Absorbs vibrations



## Electric vehicles: new acoustic needs

- **Bostik** adhesive for tire foam
  - Reduction of noise and vibrations
  - Improved environmental impact (formulation without solvents or isocyanates)

# Infrastructures that are evolving towards more sustainability

Strategy and  
ambition



## Wind turbines

- **MMA Bostik** adhesives for **increased durability** through high fatigue resistance
- **Elium®** resins for mechanically and chemically recyclable blades

## H<sub>2</sub> produced by electrolysis

**Siliporite® PHYG series** range of molecular sieves designed for hydrogen purification *via* the PSA (pressure swing adsorption) process



## Roads

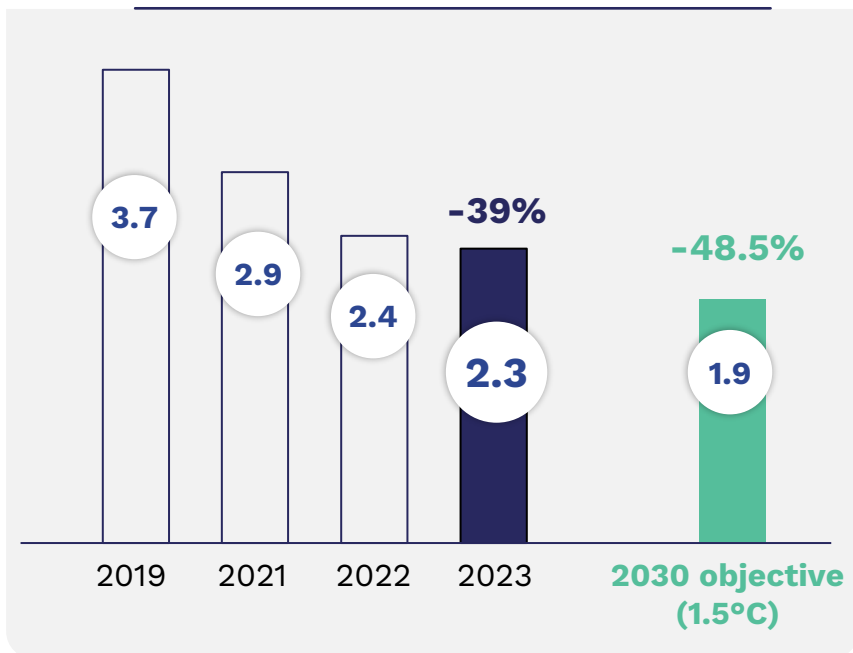
### **Cecabase® RWI**

- Increase in the use of recycled asphalt with maintained quality
- Easier operational implementation
- Reduction of the carbon footprint through the reduced use of virgin bitumen

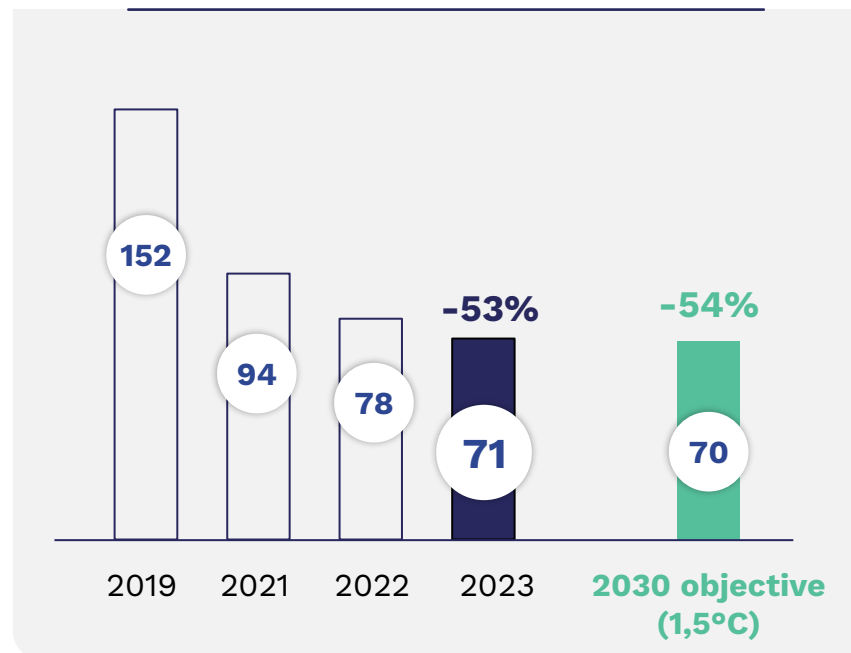


# 2023 results in line with the 1.5°C trajectory by 2030 approved by SBTi

## Scopes 1+2 greenhouse gas emissions (Mt CO<sub>2</sub>e)



## Scope 3 greenhouse gas emissions (Mt CO<sub>2</sub>e)



Pave the way to  
Net-Zero by 2050

-90%  
Scopes 1+2  
& Scope 3

vs 2019

Proactive initiatives, accentuated by the reduction in production volumes in 2023

Positive impact of renewable electricity contracts

Decrease in 2023 mainly due to the gradual reduction in the production of fluorogases

Lower activity levels notably reduce purchases of raw materials and waste

# Long-term structuring agreements for the supply of renewable electricity

Strategy and  
ambition

**27%**

Share of electricity consumed by the Group coming from renewable sources, in 2023

**40%**

Share of Group electricity needs in the United States covered using renewable electricity by the end of 2024

Long-term contracts with a duration of up to  
**20 years**

## New contracts signed in 2023

- 20 GWh/year**  
covering 70% of Bostik's electricity needs in France from 2026
- 150 GWh/year**  
from renewable sources in the United States



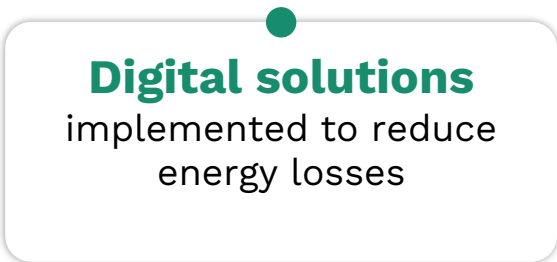
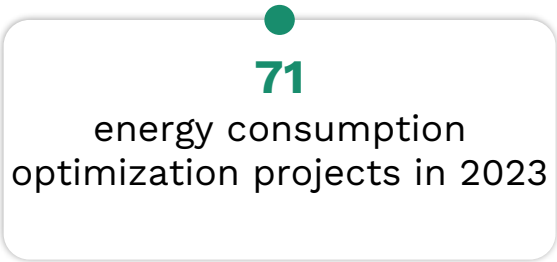
## Decarbonization of acrylics production in Carling

Improving the operational efficiency and environmental footprint of one of the main acrylic monomer factories in Europe



1. Partly financed by the French state as part of the France 2030 program, operated by ADEME, and by the European Union – NextGenerationEU

## Arkema Energy program





# A consolidated biodiversity strategy



## Our commitments to the benefit of biodiversity

### UPSTREAM



Strengthen our responsible castor purchasing practices



Analyze the impact and dependence of our raw materials on biodiversity

### IN OUR OPERATIONS

- **65%** Chemical oxygen demand in **water** in 2030 (vs 2012)

- **25%** Water withdrawals in 2030 (vs 2019)

- **65%** Emission of volatile organic compounds into the **air** in 2030 (vs 2012)



**Raise awareness** among our employees about biodiversity issues

### DOWNSTREAM

**65%** Share of sales significantly contributing to the United Nations Sustainable Development Goals in 2030



---

# Governance

2024  
**ANNUAL  
GENERAL  
MEETING**

# Composition of the Board of Directors

## Composition as of 31 December 2023

14 members

73% independence rate

1 director representing  
employee shareholders

2 directors representing  
employees

45% women

- 5 new independent directors appointed over the last 3 years, making it possible to **maintain a high rate of independence, and to enrich and diversify** the skills of the Board of Directors
- Complementarity of skills and profiles: management of a listed group, knowledge of **chemicals** and **industry**, experience of **finance** and **M&A** professions, **CSR** skills, including **climate**, **sustainable innovation** and **societal challenges**
- Benefit from prolonged **international experience (50%)** supplemented by **4** directors of **foreign nationality**

### **A balanced, experienced and diversified Board, able to address new challenges**

Assertive and independent personalities within the Board

Continuous commitment and constant interest from directors  
in Arkema's strategy and its major projects



# Arkema governance structure: combination of the functions of Chairman and CEO

Governance

## ○ A light, responsive and efficient structure, which has proven its effectiveness and relevance since 2006

Strict respect for the balance of powers between the Board of Directors and general management

Robust and constantly reinforced control mechanisms

Which made it possible to lead the transformation of Arkema into a major, recognized and efficient player in Specialty Materials

And to modernize the functioning of the Group with a strong societal commitment and notable progress in terms of CSR

**A structure regularly confirmed in particular during the assessments of the Board of Directors in 2022 (external) and 2023 (self-assessment) and which the Board still considers suitable for the implementation of the strategy presented at the CMD of September 2023**

# A balanced Arkema governance structure with checks and balances



# Renewal proposed to the general meeting

Governance

**M. THIERRY  
LE HÉNAFF**  
Chairman and Chief  
executive officer



- « Founder » of Arkema and Chairman and CEO since 2006
- Lead independent member of the Supervisory Board and member of the Compensation and Appointments Committee of Michelin
- Member of the Board of Directors of the *École Polytechnique* and *France Industrie* foundations

## Renewal of the term of office as Chairman and CEO

subject to the renewal of his term of office as director by the general meeting (5<sup>th</sup> resolution)

### 2020-2023 TRACK RECORD – Current term of office

- **New stage of the transformation** in line with the strategy unveiled at the 2020 CMD  
Several major M&A operations with the acquisition of Ashland's adhesives, the divestment of PMMA and the acquisition of 54% of PI Advanced Materials
- **New developments resulting from innovation**  
On the major themes of sustainable development
- **Complex industrial projects with high potential**  
PVDF in China, Pebax® and PVDF in France, bio-based polymers in Singapore and China, hydrofluoric acid with Nutrien and 1233zd in the United States
- **High financial performance**  
Average EBITDA 2020-23 = €1,630 million/year (+20% vs 2016-19)  
EBITDA to cash conversion rate: on average 50% over the period  
Net debt < 2 x EBITDA each year
- **Strengthening the decarbonization commitment**  
SBT-aligned climate plan 1.5°C by 2030 and validated by the SBTi



# Compensation policy for the Chairman and CEO for the duration of the new term of office (7<sup>th</sup> resolution)

## Modifications 2024-28

### Fixed annual compensation

€1,150k

vs €1,000k, unchanged since 2020, with a deferred effective date of 1<sup>st</sup> January 2021, i.e. an **increase of 3.56% per year** on average over the period

### Performance shares

33,000 shares per year

vs 30,000, unchanged since 2016, fully subject to **5 demanding performance criteria** including 1 non-financial one for 30% of the allocation

### Indemnity in case of forced departure

**More demanding criteria** under the new term of office and **weighting of each criterion adjusted**

Over the 3 years preceding the departure date :

- Average annual VC  $\geq$  80% of the target VC (accounting for 70% of the indemnity)
- Average TRIR  $\leq$  1.1 (15% of the indemnity)
- Average operating cash conversion rate  $\geq$  70% (15% of the indemnity)

## Without changes

### Variable annual compensation

up to 180% of compensation  
3 quantitative criteria (EBITDA, recurring cash flow and contribution of new business developments) for 75% of the amount  
1 qualitative criterion relating to the Group's priority areas for 25%

### Retirement

20% of annual compensation (fixed + variable)

### Non-compete commitment for a period of one year

### Various

company car, executive officer unemployment insurance, Group personal risk and health insurance plan

### Discretionary power clause from the Board in case of exceptional circumstances

# Elements of the 2023 compensation of the Chairman and Chief executive officer subject to approval (9<sup>th</sup> resolution)

|                              | Amount  | Description   |
|------------------------------|---|---|
| <b>Fixed remuneration</b>    | €1,000,000  | Set for 4 years upon renewal of the term of office of the Chairman and Chief executive officer on 19 May 2020.<br>Effective date deferred to 01/01/21 in the context of the Covid-19 pandemic.  |
| <b>Variable remuneration</b> | €1,481,800  | Set annually by the Board of Directors and determined based on the achievement of precise and demanding quantitative and qualitative objectives, aligned with the Group's strategy and its priorities. Can reach up to 180% of annual fixed compensation. <ul style="list-style-type: none"> <li>• <b>3 quantitative criteria</b> : EBITDA, recurring cash flow and new business developments (135%)</li> <li>• <b>Qualitative criteria</b> : implementation of the Group's long-term strategy and major priorities, operational management (including the CSR policy) (45%)</li> </ul> |
| <b>Performance shares</b>    | 30,000 <sup>1</sup> shares<br>(€2,083,500 IFRS value) | <b>5 performance criteria :</b> <ul style="list-style-type: none"> <li>• Group EBITDA margin (20%)</li> <li>• Operating cash conversion rate (20%)</li> <li>• Comparative Total Shareholder Return (15%)</li> <li>• Group's average return on capital employed (ROACE) (15%)</li> <li>• CSR (30%) : - for half : Climate<br/>- for the other half, in equal parts: process safety event rate (PSER), circular economy and percentage of women in senior management positions</li> </ul>   |
| <b>Other benefits</b>        | €496,360<br>€6,720                                    | <ul style="list-style-type: none"> <li>• Pension</li> <li>• Company car</li> </ul>  |

1. 20% de plus en cas de surperformance

# Compensation policy for directors from 2024 and compensation awarded in 2023

- **Compensation policy for directors (excluding Chairman and CEO) – 6<sup>th</sup> resolution**
- Evolution of the distribution methods proposed from 2024

|  | Board of Directors     | Committees            |                       | Senior independent director |
|--|------------------------|-----------------------|-----------------------|-----------------------------|
|  |                        | Member                | Chairman              |                             |
| <b>Fixed part</b>  | €25,000<br>(no change) |                       |                       | €20,000<br>(vs €10,000)     |
| <b>Variable part</b> per session linked to physical presence                   | €3,500<br>(no change)  | €2,750<br>(vs €2,500) | €5,500<br>(vs €5,000) |                             |
| <b>Part variable</b> per session in the event of a meeting of shorter duration | €1,750<br>(no change)  | €1,375<br>(vs €1,250) | €2,750<br>(vs €2,500) |                             |

Maximum overall envelope :  
€900,000 per year



**Amount of total compensation awarded in 2023 :**  
€634,000  
8<sup>th</sup> resolution

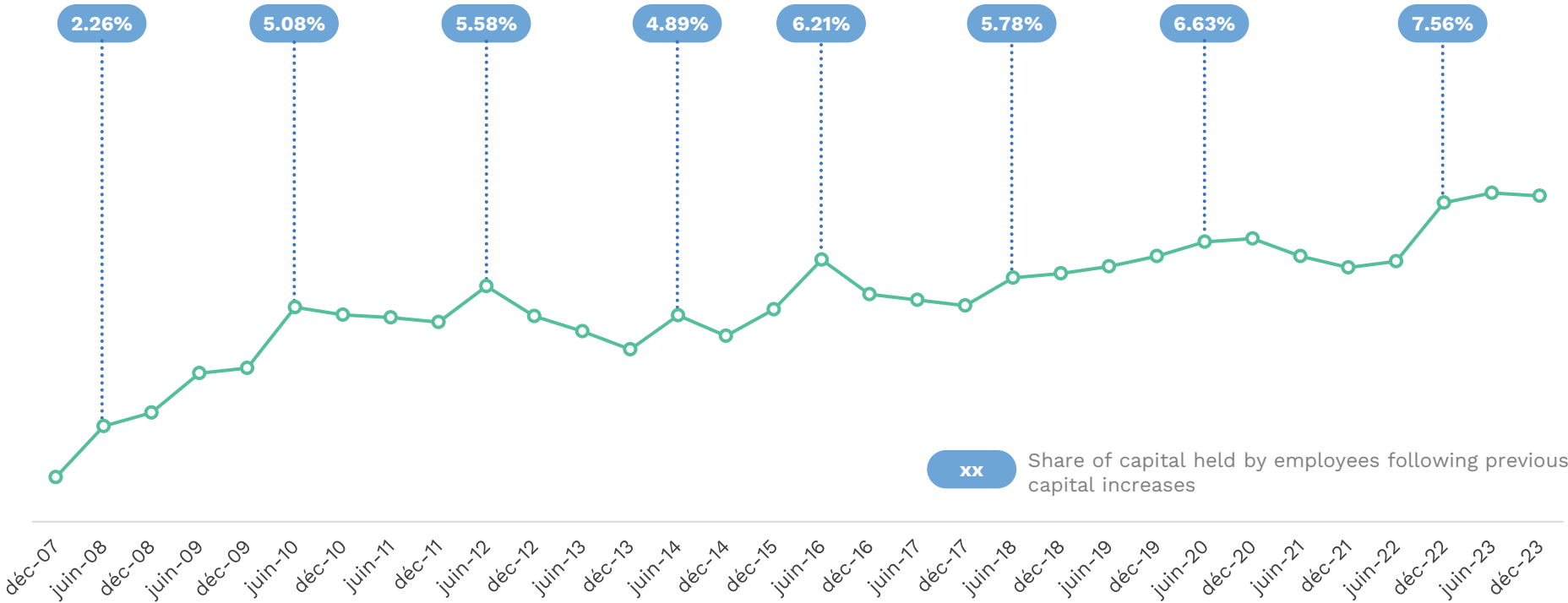


# Capital increase reserved for members of a Company savings plan (21<sup>st</sup> resolution)

Continuation by the Group of its dynamic employee shareholding policy in 2024 in order to **involve as many employees as possible in its development**

Offer to Group employees to subscribe to Arkema shares under advantageous conditions **every two years**, the last capital increase having taken place in 2020

Maximum amount requested : **€13,500,000**



Renewal of the delegation of authority granted to the Board of Directors to carry out capital increases reserved for employees requested in the **21<sup>st</sup> resolution**

# Disclaimer

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

In a context marked by strong geopolitical tensions, where the evolution of the world economy remain 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 material risk factors such as among others, changes in raw material prices, currency fluctuations, implementation pace of cost-reduction projects, rising geopolitical tensions, and changes in general economic and business conditions. These risk factors are further developed in the 2023 Universal Registration Document.

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*.

Financial information since 2005 is extracted from the consolidated financial statements of Arkema. Quarterly financial information is not audited.

The business segment information is presented in accordance with Arkema's internal reporting system used by the management.

The main performance indicators used by the Group are defined in the 2023 Universal Registration Document. As part of the analysis of its results or to define its objectives, the Group uses in particular the following indicators:

**EBITDA margin:** corresponds to EBITDA as a percentage of sales, EBITDA equaling recurring operating income (REBIT) plus recurring depreciation and amortization of tangible and intangible assets

**REBIT margin:** corresponds to the recurring operating income (REBIT) as a percentage of sales

**Free cash flow:** corresponds to cash flow from operations and investments excluding the impact of portfolio management

**EBITDA to cash conversion rate:** corresponds to the recurring cash flow divided by EBITDA